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THURSDAY, JUNE 28th, 1962

---On resuming at 10:33 a.m.

THE COMMISSIONER: Mr. Wilson.

MR. WILSON: I will call Mr. Morningstar.

ELLIS PRICE MORNINGSTAR, sworn:

EXAMINED BY MR. WILSON:

Q. You reside inwelland?

A. Yes, sir.

Q. And you are a supervisor at the Page-Hersey Company?

A. Page-Hersey Tubes Limited.

Q And how many years have you worked for that firm?

A. The past 40 years.

Q. And you have been in politics, both Municipal and Provincial, over the years?

A. Yes, sir, about my 29th year.

Q. And what was your career in Municipal politics?

A. Well, I started out in the

council, then from the council I was deputy - -

Q. Well, what council?

A. Crowland Township Council.

THE COMMISSIONER: What township?

A. Crowland.

MR. WILSON: Crowland.

THE WITNESS: C-r-o-w-l-a-n-d.

THE COMMISSIONER: Yes.

MR. WILSON: Yes.

THE WITNESS: Crowland Township Council. I started out as councillor, 1932 or 1933, then deputy reeve, reeve of the township, warden of the county in 1946, elected to the Legislature in November, 1951.

Q. And you are still a member of the Legislature, for what riding?

A. That is right, sir. Welland - Welland Riding.

Q. Now, do you know a man named Bert Nero?

A. Well, I did, sometime ago.

Q. Well, did you know his family?

A. I knew his father, yes. I - he was a businessman in the City of Welland.

Q. What was the - -

A. I can't recall his - Mrs. Nero. He had a grocery store, butcher shop - grocery store.

Q. Yes.

THE COMMISSIONER: This is the father?

A. That is right.

MR. WILSON: And how long have you known the son, Bert Naro?

A. Well, for quite some time. When I first met him, I - I believe it would be back in 1941, '42. I do believe I met him in the store there previous to that, but he had operated a restaurant out in the Township of Crowland, I believe around 1943-1944, for some time, and I don't know how long he operated the restaurant, I guess a year or so, year and a half, something to that effect.

Q. Was he in your riding?

A. Yes, he would be, sir.

Q. Yes. And we have - you - you write testimonials for people from time to time, I take it?

A. Oh, yes. Sure I do.

Q. And when you write them, how do you usually sign them?

A. 'Ellis P.Morningstar, M.P.P. Welland.'

Q. And have - you have some of your files there, I take it?

A. Well, I brought my briefcase along. I thought I would go down to the Legislature and do some work after.

Q. Well, can we have the briefcase

for the witness.

A. Do you want to see some of the - -

Q. Well, I would just like to see a sample of how you say you write your letters?

A. Well, I got several here on uncompleted business, and on the uncompleted correspondence I keep the files until - until the - my request and that is finalized, you know.

Q. Yes. Well, now, just give us one as a sample of the way in which you write those letters, and how you sign them?

A. 'Ellis P. Morningstar, M.P.P. Welland.'

Q. Well, now, I wonder - -

A/2 A. Pretty near all was that way. All these yellow sheets is copies. E.P. , one is there, E.P.Morningstar, M.P.P. Welland.

Q. Well, now, I wonder if we could use this one as an example? We will have a copy struck off and give it back to you. As I say, I see it is a matter that is pending?

A. That is right.

Q. Would that have been a copy of a letter that you wrote on Legislative Assembly note paper?

A Yes, oh, yes,it would be.

MR. MacKINNON: Is that dated 1954?

MR. WILSON: It is dated 1962.

MR. MacKINNON: Oh.

MR. WILSON: February 13th, 1962, and my only reason for reference to it is signed yours very truly, and then there is printed, 'Ellis F.Morningstar, M.P.P., Welland.'

A. There is some that should be 1961.

Q. Well, have you changed your method of signing these letters?

A. No.

Q. Over the last few years?

A. No, no, sir.

Q. Yes?

A. No, I haven't. There are copies back in the Legislature, if you would like to see them. We keep copies.

THE COMMISSIONER: You don't need a copy of that letter?

MR. WILSON: No, I don't think we need it, as long as we get the format. Now, would you show the witness Exhibit 245, which is a letter of December 6th, 1954, purporting to be a copy of a letter signed by you and addressed: 'To whom it may concern.'

A. Well, this here, sir, is - - the name is printed, I would like - I would like to see my signature before I could - - I don't- - I can't recall ever giving a letter to Mr. Nero.

Q. You can't recall?

A. I can't. When I seen it yesterday in the paper, I tried to recall, and I can't. I - - this has got 'Ellis Morningstar, M.P.P.'.

Q. Well, this is just 'Ellis' and not 'Ellis P.Morningstar'?

A. That is right, the 'Ellis'.

Q. Did you ever sign letters, or have them typewritten in that fashion?

A. I can't recall. No, sir. I can't. 'Ellis P.Morningstar', that would be written in there and then I signed it myself. You haven't got the original?

Q. No, the original is not available. The evidence is the original of this - of this copy, or of which this purports to be a copy, was returned to people who were charged in connection with the operation of a social club in Cornwall?

A. Well, I certainly cannot recollect giving a letter - a testimonial letter like this.

Q. Well, did you ever have any knowledge of the Port Colbourne Social Club in Cornwall?

A. No. No, sir. No, never.

Q. Did anyone ever ask you for any letter of recommendation for the operation of any such club in Cornwall?

A. No, no, sir. No one never mentioned Cornwall to me.

Q. And in the - - would you have a copy of - of the letters you wrote in 1954 on your file at Queen's Park?

A. Well, I couldn't say, sir. I might have, but I - I couldn't say. It is doubtful back in 1954.

Q. Yes.

A. I usually keep them a year or so, and after that business is completed, then I destroy the copies, after a year or so.

Q. I see. Now, I see in the first paragraph of Exhibit 245:

"This letter will serve to
"introduce the bearer, Mr. Bert
"Nero, formerly of the City of
"Welland, in the Province of Ontario."

Now, in 1954, to your knowledge, where was Mr. Bert Nero residing?

A. I couldn't tell you. I think he left the Township of Crowland, that is now a part of the City of Welland, amalgamation a year or so ago, a year ago, last January, oh, I think he must have left the Township of Crowland around 1944, 1945, I believe.

Q. And where did he go from there?

A. I couldn't tell you. I did hear Niagara Falls, but I - I couldn't - I couldn't

verify that. I couldn't swear to that. I heard that after he left the Township of Crowland.

Q. Well, now, in the next paragraph, the first sentence says:

"I have had the pleasure of "knowing Mr. Nero since his early "boyhood and have watched him "progress through the years with "interest."

Now, is that a fact?

A. No, I can't recall that, sir.

THE COMMISSIONER: You can't recall what?

A. No, that remembering him in his boyhood days.

A/3 MR. WILSON: And the next sentence?

"He has worked for me in my "election campaigns both in the "Civic and Provincial elections - -"

Is that a fact?

A. I - not to my knowledge, sir. He might have helped me out, but I - he is not - he was not a key man. I never called on him.

Q. He was not one of your workers in neither the Civic nor Provincial field?

A. No, sir.

Q And then it goes on to say:

"- - and I have found him to be "industrious, intelligent and honest."

Is that a fact?

A. Well, he seemed like an intelligent young lad, and I would say that for him. Industrious? He would be a go-getter. His Honesty? I never had anything - I never had any dealings with him in any way.

Q. Yes?

A. I could not say he was dishonest.

Q. Well, as of December, 1954, have you any knowledge of any conviction against this Bert Nero?

A. No, I haven't.

Q And then it goes on to say:

"I do not hesitate to recommend him

"as a thoroughly capable and

"diligent assistant in any

"undertaking that he may deem fit

"to apply his many talents."

Now, what do you say about that? That particular sentence? Is that your language?

A. No, it is not, sir. I write out references for people, and it is not my language. I don't think I have any samples with me. I - -

Q. Well - -

A. I might have.

Q. Let's go on to the last sentence:

"I may also add that I know Mr.
"Nero's family quite intimately - - -"
Now, did you know Mr. Nero's family quite intimately?
A I would say so. I knew the father, as I say he was a businessman in the City of Welland, and once in a while I used to drop in his store, and then - now and then, not frequently, perhaps once in a great while.
THE COMMISSIONER: Well, that wouldn't mean an intimate acquaintance, would it?
A. No, I wouldn't say so. No.
THE COMMISSIONER: More or less sort of casual?
A. That is right. Right, sir.
MR. WILSON: And then it concludes with these words:
"- - - and I can say without
"further ado that I think he would
"be a benefit to the society to
"your community."
Now, is that - is that your language?
A. No, it is not, sir. No.
Q. What - what did you - did you have any knowledge at any time that this man Bert Nero was applying for a job as assistant in some undertaking?

"I may also say that I know Mr.

Hun, did you know Mr. Nero's family

prior residency?

A. I would say so. I knew the father, as I say he was a businessman in the city of Wallace, and came in a while I used to drop in his store, and then - now and then, but frequently, perhaps once in a great while.

Mr. Cunningham: Well, that

really was an informal conversation, would it?

A. No, I wouldn't say so.

Mr.

Mr. Cunningham: Here or here not

of course?

A. That is right. Right, sir.

Mr. Kennedy: Now then it concludes with

these words:

"- - - But I can say without

hesitation that I think it would

be a benefit to the society to

have convicts.

Now, is that - is that your language?

A. No, it is not, sir. Mr.

Q. What - what did you - did

you have any knowledge at any time that this man

Lost Nero was applying for a job as assistant

[illegible]

A No, sir.

Q Did you have any knowledge of his activities after he left Crowland in 1944?

A. No, sir, I - I don't.

Q. Or what he was engaged in?

A. No, I don't.

Q And do you know of this date what his activities have been, since - since 1944?

A. No, sir, I don't.

MR. WILSON: That is all, thank you.

MR. WILSON: Now, just a minute. You will be cross-examined here for a moment.

EXAMINED BY MR. MacKINNON:

Q. I should point out to you, Mr. Morningstar, that this letter was apparently written on Legislative Assembly letterhead. I take it that is what you use when you do write letters of recommendation?

A. That is right. Usually, yes, I do.

Q And that is only available, I take it, to members of the Legislature?

A. Well, I wouldn't say so. They have spare - or shall we say that paper, you know, - the paper is available at the members' room.

Q. Yes, in the members' room?

A. Yes.

Q. But I couldn't go up and get some for myself, could I?

A. No, but it is available, sir.

Q. But it is not available to someone like me, that is not a member?

A. Yes, you could pick up some sheets, if you would like to.

THE COMMISSIONER: Where?

MR. MacKINNON: Where?

A. At the - in the Legislature, in the members' room, or in the different offices. There is visitors come in with the members at different times.

Q. Where would they pick it up?

A It is - it is available there, it is used for the members.

Q. Yes, I know it is for the members.

A. If you want to make a note, or anything, the letters is there, the papers, the stationery.

Q. It is regular letterhead?

A. Stationery.

Q. It is regular stationery?

A. That is right.

THE COMMISSIONER: Well, where is it there? Piled upon a table, or ~~of~~ something?

A. Yes, in the -- in the members' room, your Honour, there is a large table, and there is chairs all around it, and different places, and members will sit down. There is - there is the stationery there, and the envelopes, and the yellow envelopes or white envelopes. If they want to send a letter out, they use the white envelope; and if it is just another department, it is the yellow envelope, but there is - it is always available there.

MR. MacKINNON: Mr. Morningstar, doesn't the door have a sign on it "Members only"?

A. Yes.

Q. And aren't there guards around?

A. Attendants, yes.

Q. Yes, to ensure that members only -

A. Yes, but it don't work that way.

THE COMMISSIONER: I suppose members take visitors in?

A. That is right. That is right. Lots of time they have those there, and that, and there is a line up going in the Lieutenant Governor's residence.

THE COMMISSIONER: The public don't wander in by themselves, do they?

A. Well, they do it. There is times, sometimes they have their doors locked,

[illegible]

they have the members' room, and then they have a caucus room, where the members have their caucus, offices in there, and there is always

A/4 stationery available too, and it is very possible to go and open the door, if it is not locked. We get people wandering around in there, and we have to lock the door, and close us in the caucus room.

MR. MacKINNON: Well, in any event, this letter is written on Legislative Assembly letterhead, and it concerns the City of Welland, and I take it that is in your writing, is it?

A. That is right, sir.

Q. Yes, and I take it also that you at least did know Mr. Bert Mere?

A. Yes, I did.

Q And were you Reeve - did you cease to be reeve, or have any municipal position, after you were elected to the Legislature?

A. No, sir, no. The election was November, 1951, and of course I would be reeve to the end of the year, that year, December.

Q. I see. You were not reeve in 1954 or 1955?

A. No, sir, no.

Q Do you have a brother in Crowland Township, or in Bertie Township?

A Oh, no. Cousins, relatives,

and then there is numerous Morningstars over there.

Q. Well, is there a Ray Morningstar, who is a reeve?

A. Roy.

Q. Roy?

A Roy Morningstar.

Q. Who is the reeve of?

A. Who is the Reeve of Bertie Township.

Q. Of Bertie Township?

A. And warden of the county. He was also warden, Horace Morningstar.

Q. Then, returning to this letter, we have heard that in 1953, this Bert Nero was convicted of a gaming offence, apparently, and now this morning I have been advised that on - in 1945, the same Bert Nero was convicted of selling liquor illegally, and sentenced to three months in jail, and on May 10th, 1950, he was convicted of being found in a gaming house, contrary to Section 228 of the old Code. Then, I - I take it you said that you knew him - first of all, you said you kn_ew his father intimately, and then you said later you knew him casually?

A. Casually, I would say, yes.

Q. Did you know him -- was he a known bootlegger in the community?

A. I couldn't tell you, no. Not to my knowledge.

Q. You didn't know him that well?

A No, sir.

THE COMMISSIONER: Did you know Bert any better than you knew his father?

A. I would not say so, your Honour. I got to know Bert when he operated this restaurant in the Township of Crowland. Previous to that I did see him in the store a couple of times, now and then, but didn't - was not intimately acquainted with him.

THE COMMISSIONER: Well, did you ever become intimately acquainted with him?

A. No, no. No, sir.

MR. MacKINNON: Q. Well, now, were you familiar with the Port Colbourne Social Club, when it operated in Crowland Township?

A. No, sir. I do know that there was - it operated there for a short time.

Q. Do you know where it had operated in Crowland Township?

A. On - on Steele Street.

Q. That is right. And do you know where it went when it left - -

A. No, sir.

Q. - - Crowland Township?

A. I don't know.

Q. Did you have a municipal

Q. Gentlemen? 6334

A. I don't tell you, no.

Not to my knowledge.

Q. You didn't know him that well?

A. No, sir.

THE COMMISSIONER: Did you know more

any better than you knew his family?

A. I would not say so, your

honor. I got to know more when he operated

this restaurant in the township of Cromland.

Previous to that I did see him in the store

a couple of times, now and then, but didn't

- was not intimately acquainted with him.

THE COMMISSIONER: Well, did you ever

[illegible] ever [illegible]

A No, no. No, sir.

Q. [illegible] Q. [illegible] ever

you familiar with the Dove Jobbering Business

Club, when it operated in Cromland Township?

A. No, sir. I do know that

there was - it operated there for a short time.

Q. Do you know where it had

operated in Cromland Township?

A. On - on Oneida Street.

Q. That is right. And do you

know where it was when it left - -

A. No, sir.

Q. - - Cromland Township.

A. I don't know.

Q. And you have a [illegible]

position at the time it operated in Crowland Township?

A. Yes.

Q. And what were you?

A. Yes, sir, I would.

Q. Were you Reeve then?

A. Yes, I was Reeve.

Q. Were you ever approached by the police with regard to operations of this club?

A. No, sir.

Q. Were you ever approached by the operators of this club?

A. No, sir.

Q. Did you know that it was suspected of being a gaming and betting house?

A. No, sir.

Q. That did not come to your knowledge as reeve?

A. No, sir.

Q. Do you knowwhy it left the Township?

A. No, sir, I don't.

Q. And I take it you didn't - you don't know where it went?

A. No, sir, I don't.

Q. I should point out to you that Mr. Wilson was asking you about Cornwall, but this letter is not addressed to anyone in

Cornwall, it was just addressed, 'to whom it may concern.' It was a general letter.

Now, I take it you were referring to this statement in the letter, that Bert Nero has worked for you in your election campaigns, both in the civic and provincial elections and you stated that you didn't know that he had, but I take it that if it can be established, that he did work, you wouldn't deny that?

A. I couldn't, no.

Q. No.

A. I have a lot of supporters, and I heard that he was one of them.

Q You have heard that he was one of your supporters?

A. I heard that.

Q. I see.

A That knowing the family - - -

Q. It might be?

THE COMMISSIONER: That is Bert Nero?

MR. MacKINNON: Yes.

A. Yes. It is some time ago. I - and I say he was not there too long.

MR. MacKINNON: Q. Do you know whether he made any financial contributions to your campaigns?

A. No, sir, he didn't. No, sir.

Q. You don't know or he didn't?

A. He didn't.

Q. I take it you sometimes sign your letters 'E.P.Morningstar' as well?

A. 'E.P.Morningstar, M.P.P., Welland', as the copies show here.

Q. As well as signing it 'Ellis P.Morningstar'?

A. 'Ellis P.Morningstar', that is right, sir.

Q Well, now do I understand your evidence to be that it is possible that you did sign this letter, but you just can't remember about it?

A. I can't recall. I can't recall this particularly, and I saw this in the Mail and Globe yesterday. I have been thinking about it ever since, and I can't recall.

Q. But you say - -

A. If I had have seen my original name there signed, my signed name, it would have been different, and 'Ellis Morningstar,M.P.P.', it doesn't say Welland, or where. It has got Toronto here, dated Toronto, and the copies here, several copies, if you would like to see them, where I signed my name.

Q I take it that on December 6th, 1954, the Legislative assembly would be sitting, would it?

A I - I wouldn't know. I - -

Q. You could find that out for me?

A. Usually in January, and - the last week in January, first week in February.

Q. I see. Well, I am sure we can find that out from Hansard, in any event; but in any event it is your evidence that if you did write this letter, you knew nothing detrimental about Bert Mero at that time, despite his record?

A. That is right, sir.

Q. You - are you telling us his reputation was a good one in the community?

A. Well, not - I did - I couldn't say anything different, the same as his father. You mentioned he was a bootlegger, and I couldn't say he was. I couldn't say that.

Q. You were a politician in this area, and knew people well, you knew what was going on, didn't you?

A. I didn't - I didn't pry in their private business in any way, no.

(Page 8825 follows)

R/1/JM

MR. MacKINNON: Q. It is not a case of prying into things but you would know what people's reputations are generally.

A. You would hear probably the same thing about my reputation. It isn't what it should be and probably no one else's is.

Q. But you haven't any criminal convictions?

A. No, sir.

Q. I take it this man had at least three criminal convictions from information we have received now, prior to 1954. There was the liquor conviction, the first one, and then two found-in cases but you say you still really don't know anything detrimental about him, and he had a good reputation as far as you were aware?

A. He was convicted of bootlegging and got three months.

Q. You recall that?

A. Yes.

Q. Now that you have thought about it, can you recall his convictions for gaming offences?

A. No, sir, I cannot.

Q. Do you known Anton or Frank Delotta?

A. No.

Q. You never met a man of that name?

A. No, sir, I didn't.

Q. You never heard of any association between the Hero family and the Delottas?

A. No.

Q. Did Mr.Jolley ever speak to you -- You know him?

A. Yes.

Q. Did he ever speak to you about having the Frontier Club z located in Crowland Township?

A. No, sir.

Q. Did you have any discussion with him about the Frontier Club?

A. No, sir.

Q. Did anyone ever speak to you about the Frontier Club?

A. No, sir.

Q. Any lawyer?

A. No, sir.

Q. Is Crowland Township check by jowl to Bertie Township?

A. No, sir, Humberside Township would be between Crowland and Bertie, or maybe it is Willoughby.

Q. Bertie Township had its own police force in 1958?

A. Yes.

Q. Did Crowland Township have its own police force?

A. Yes, sir.

Q. In 1958?

A. Yes.

Q. Are you sure?

A. Yes, we always had one until the amalgamation.

Q. Now you are in the city, you say?

A. Yes.

Q. I was just wondering why you feel the last sentence in the letter, Exhibit 245, this letter, might not be your language?

THE COMMISSIONER: I do not think he confined it to the last sentence. Were you confining it to the last sentence?

A. No, sir, to the whole letter, the composure of the letter.

Q. The whole letter?

A. Yes, sir.

MR.WILSON: Is it "composure", or do you mean "composition"?

MR WITNESS: Composition.

MR. WILSON: I have no questions; that is all, thank you.

THE WITNESS: I may say, sir, I am very pleased to have been called before you to get this situation clarified.

---The witness withdrew.

JOHN FRANCIS CRONIN, recalled

THE COMMISSIONER: You are still under oath.

A. Yes, sir.

EXAMINED BY MR. WILSON:

Q. Now, yesterday we were talking about the various meetings you had with Joseph McDermott and Vincent Feeley and Wright after you were served with your subpoena in March, 1962. I just want to see if I can get the order of these various meetings. I gather the first one where you saw McDermott alone was shortly after you were served with the subpoena the first time you came home from Kingston.

THE COMMISSIONER: Is that right?

THE WITNESS: I don't recall meeting McDermott alone, sir.

MR. WILSON: Q. Well, yesterday in your evidence at page 8770 you were asked how long after the 9th March you saw McDermott and you said "it was the first time I was home." Your answer reads this way at page 8770, line 17:

"A. It would be the first time "I was home. The subpoena was

"served on me at Kingston and
"I came home. That was the
"9th of March and I would go
"back home on the 11th of March
"and it would be one or two
"days after that."

Q. Now, do you want to change that story today?

A. No, I do not. I wouldn't be sure of the date, the 11th.

Q. That is your own evidence, do you want to change it? You have sworn to it.

A. No, I do not, I wouldn't be sure of the date, the 11th. If I said the 11th, it would be approximately the 11th, or two or three days after the 9th, but I don't recall meeting McDermott alone.

Q. At this first meeting after you were served with a subpoena you went to his house?

THE COMMISSIONER: Q. Is that right?

A. I don't recall that, Mr. Reach.

Q. Where was your first meeting with him after you got the subpoena?

A. I couldn't tell you, sir.

Q. Do you remember having a meeting with him?

A. Yes.

Q. If you remember having a meeting

with him, you must surely remember where it was.

A. No, I don't, Mr. Roach. I couldn't specifically say which was the first meeting.

MR. WILSON: Q. You have already sworn a few days after you got back from Kingston, your first trip back after the service of the subpoena you went to his residence.

A. Oh, no, sir.

THE COMMISSIONER: I didn't understand it that way.

MR. WILSON: Mr. Commissioner, I am in error on that.

Q. But you have sworn, and I have just read it to you, that you did see him one or two days after the 11th of March?

A. That is right.

THE COMMISSIONER: Q. If you did see him one or two days after the 11th of March, where did you see him?

A. I assume that was the meeting downtown.

Q. Why do you assume that?

A. I know I had a discussion with him about having the subpoena and I know it was shortly after coming back to Toronto and I assume we went downtown.

Q. Where?

A. To either one of the hotels, I can't say which, but I assume it was the Royal York, sir.

Q. Where did you telephone him?

A. I would telephone him at his home.

Q. From your residence?

A. Yes.

Q. You only lived about a block apart?

A. Yes.

Q. How does he address you, by "Jack" or "John" or what? How are you known to your friends, by John or Jack?

A. John and Jack.

Q. I assume he would have said, "Hellow, Jack"?

A. I think he calls me John.

Q. Why don't you assume he did the reasonable thing and invited you to his house?

A. I don't deny that.

Q. Do you remember it?

A. I don't remember what the circumstances were, but I assume I phoned him when I came home.

B/2

Q. At page 8770:

"Q. You phoned McDermott?

"A. I don't know. I assume "I phoned him, or walked over."

Q. That is within a day or two of March 11th; do you want to change that today?

A. I think that would be a reasonable assumption.

MR.WELSON: Q. Do you want to tell us now you saw him downtown, or you want to see him at his home or the conversation took place on the telephone?

A. I would say both.

Q. You can hardly have both out of that.

A. I would assume I phoned him when I came home and I assume we arranged to meet, whether it was the next day or not I don't know.

Q. Where are you now saying that first meeting took place?

A. I can't say.

Q. You have no idea?

A. I have some idea but I don't know whether it was at the Royal York. I assume it would be the Royal York.

Q. Did anybody suggest to you it would be a good idea to be evasive?

A. No, sir.

Q. That is your own idea?

A. No, sir, I am not. I am not sure where that first meeting was.

Q. Have you talked to Feeley or

McDermott since yesterday?

A. I went to bed last night.

THE COMMISSIONER: No, no, that isn't the question. The question was, have you talked to Feeley or McDermott last night?

A. No, sir.

Q. Are you sure?

A. Yes.

Q. Are you positive?

A. I am absolutely positive I didn't talk to either of them, directly or indirectly.

MR. WILSON: Q. Did you talk to any of their lawyers?

A. No, sir.

Q. Why did you take so long to answer that question, whether you had talked to Feeley and McDermott last night? Why did you think about it so long?

A. I don't recall thinking about it long.

THE COMMISSIONER: Well, you did.

A. Mr. Roach, I spoke to nobody. If you want to know what I did, I took the phone off the hook so nobody could phone me.

MR. WILSON: Q. What about this morning?

A. I haven't spoken to anybody this morning except that gentleman sitting there in the court.

Q. At this first meeting, who was present? Apart from McDermott?

A. Feeley.

Q. That is the meeting where you had the discussion about Dowsbury ointment?

A. Yes.

Q. And that meeting lasted how long?

THE COMMISSIONER: Q. Approximately how long?

A. Mr. Roach, if it was in the Royal York, I would say an hour. I certainly wasn't there all the time. As I recall it, I got there at possibly one o'clock or maybe two o'clock and I left before five o'clock. Someone was there for two or three hours but I wasn't there all the time.

MR. WILSON: Q. Where was it in the Royal York?

A. I think there are two coffee shops and at first we sat on the counter.

THE COMMISSIONER:

Q. What?

A. I mean, at the counter stools. When I came back - I had left for a while - and when I came back McDermott and Feeley had moved into the booth section.

MR. WILSON: Q. Where did you go? You say you arrived at about one o'clock?

A. Yes.

Q. In the coffee shop?

A. Yes, sir.

Q. Do you remember that?

A. Yes, sir. It may have been in the lobby - it would be in the lobby because I didn't know where the coffee shop was.

Q. Is it fair to assume you were there for some time?

A. Yes, I was.

Q. How long?

A. Three-quarters of an hour.

Q. Then you left?

A. Yes.

Q. Intending to return?

A. Yes.

Q. Where did you go?

A. I went down to the Union Station, which wouldn't be too far from there, and then I went over to Bay Street to locate the bank where the deposit was made.

Q. What deposit?

A. For them importers. I just kind of walked around.

Q. You were just walking around for exercise?

A. I do walk quite a bit.

Q. Just for exercise?

A. I walked to Bay Street.

Q. You left McDermott and Peeley

for the specific purpose of getting certain information and coming back to them?

A. Yes, that would be so.

Q. And where were the places you went?

A. I had no reason to walk to the Station, I just walked through Union Station.

Q. You walked through?

A. Yes, that is right.

Q. Union Station has some attraction for you? I don't care what it is at the moment, but you left McDermott and Feeley to get some information and come back and give it to them?

A. Yes.

Q. The information you needed was where?

A. Where the bank was on Bay Street.

Q. Why wouldn't you go directly to the bank instead of wandering around Union Station?

A. I can't say why I did. I was in no hurry to get back.

Q. They were waiting for you?

A. No, they were not, they had other appointments. I didn't have lunch with them. I think they were having lunch with somebody.

Q. What time did you get there?

A. I think it would be one o'clock.

Q. They would have their lunch before that?

A. No, sir.

Q. They didn't have lunch after you arrived?

A. Yes, as a matter of fact, they ordered lunch as I was leaving.

Q. To go up to their room?

A. No, in the coffee shop.

Q. Did you have lunch?

A. I had coffee.

Q. With them?

A. Actually I had coffee first. The first thing the girl done was to bring the coffee and take their orders and then I left.

Q. You left for the purpose of getting some information and coming back and conveying it to them?

A. For my own information.

Q. What I can't understand is this, why you wouldn't go from where you were to the place where the information was instead of taking some exercise and walking around Union Station.

A. I walk all the time.

Q. Not all the time in Union Station?

A. I often go to the Union Station.

Q. Anyway, that is what you did?

A. Yes.

Q. Were you being followed that day?

A. No, sir.

THE COMMISSIONER: Q. You don't know whether you were or not?

A. I assume I wasn't.

MR. WILSON: Q. Did you come back and meet McDermott and Feeley again later on in the day?

A. Yes.

Q. Whereabouts was the meeting?

A. At the Royal York.

Q. At the same place, in the coffee shop?

A. Yes.

Q. How long after you left them was that; how long were you away?

A. I would think about three-quarters of an hour.

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Q. And then you came back and met them again in the coffee shop. And you talked with them for how long?

A. Well, I left, I think, sir near five o'clock.

THE COMMISSIONER: Mr. Wilson, I would like to know where he says he was in the meantime.

MR. WILSON: Q. Where did you say you went after you left them for the first time?

THE COMMISSIONER: Besides the Union Station.

MR.WILSON: Q. After the Union Station.

A. Over at the bank.

Q. What bank?

A. The bank ---

Q. You know what bank you went to, if you went to a bank.

A. The Barclay, the Bank of Barclay on Bay Street, below Adelaide Street.

Q. Barclay's Bank?

A. Barclay's Bank, that is right, sir.

Q. Barclay's Bank still in operation?

A. Yes, it is, sir.

MR. MacKINNON: Ithas been taken over.

THE COMMISSIONER: Just a moment, please. You walked around the Union Station, how long would you be there, do you think?

A. I would be there -- I went to the bathroom there, sir, and I don't think

I would be there over twenty minutes. Not twenty minutes, maybe fifteen minutes.

Q. And then where did you say you went?

A. Well, I am not going to be specific about this, Mr. Roach, but as I recall it I went to the bank from there.

MR.WILSON: Q. Now, what did you do when you went to the bank?

A. I can't say that is the day I went in there or not, but I certainly went in and I identified myself and asked about the balance, and so on.

Q. Of what?

A. Of the account.

Q. What account?

A. Pan Importers.

Q. What?

A. Pan Importers.

Q. And what did you find was the balance?

A. Four hundred and some dollars.

Q. And who did you speak to in the bank?

A. I couldn't say, sir.

Q. Was that all the business you transacted in the bank?

A. That is right, sir, except to make a note when the thing was opened and when it was closed.

Q. [illegible]?

A. [illegible]

Q. [illegible]

A. [illegible]

Q. [illegible]

A. [illegible]

Q. [illegible]

Q. [illegible]

Q. [illegible]

Q. [illegible]

A. [illegible]

Q. [illegible]

A. [illegible]

Q. [illegible]

A. [illegible]

Q. [illegible]

[illegible]

Q. [illegible]

[illegible]

Q. When you left there where did you go?

THE COMMISSIONER: Now, Barclay's Bank is on what street?

A. On Bay Street, on the west side, below Adelaide Street.

THE COMMISSIONER: All right.

MR.WILSON: Q. Where did you go from there?

A. I would assume that I went back to the hotel.

Q. Don't assume, tell us where you went.

A. I can't -- I think I went right back to the hotel. I couldn't be definite. I think I went back to the hotel. If I went anywhere it would not be any place of wrongdoing. I might have dropped into a restauvant or cigar store. I don't think so, but if I did it meant nothing.

Q. And the whole period you were away from the Royal York was about three-quarters of an hour?

A. I think so.

Q. And you rejoined McDermott and Feeley in the coffee shop of the Royal York?

A. That is right, sir.

Q. And you talked with them how

long?

A. I didn't do much talking.

Q. I am not asking you whether you did the talking. How long were you there?

A. I think I was there until near five o'clock.

Q. You met them first at one o'clock. And then what time did you leave them for this trip to the Union Station and the bank?

A. I wouldn't say it was one o'clock.

Q. You told us a moment ago it was one o'clock.

A. And I said it might be two o'clock.

Q. Approximately one o'clock.

A. And it might have been two o'clock.

Q. Between the time of approximately one and five you were away for three-quarters of an hour, and you returned and talked to McDermott and Feeley?

A. No, I didn't talk to McDermott and Feeley.

Q. Or listened to them talking to you.

A. No, I listened to them talk.

THE COMMISSIONER: Q. Who were they talking to?

A. To each other. And Wright

Judge?

A. I do not's do good training.

Q. I am just asking you question.

Judge Lee Ann Chambers. Don't talk over you lawyer.

A. I think I was funny until I came

EVAN LITTLE:

Q. You are been first at the Lee's house

and you said that you thought Jesse Lee for stay

away to use Brian Hastings and Lee Tanner.

A. I thought's day is not good

evidence.

Q. This book of a lawyer and it has

one evidence.

A. And I said it might go to

evidence.

Q. Objection, the Judge.

A. And it might have been Tuesday

evidence.

Q. Someone did bring it objection

but did Evan get mad from the Tuesday-

of an hour, and you remember and talked to

Prosecutor and Judge?

A. No, I didn't talk to Prosecutor

and Judge.

Q. Or listened to some evidence

on you.

A. No, I listened to about evidence.

Judge Chambers: Q. Who were they

talking to?

A. To some lawyer, and Prosecutor

was there.

Q. And Wright was there?

A. Yes.

MR. WILSON: Q. When did Wright turn up at this conference?

A. I don't know, he was there when I came back.

Q. Oh, you know.

A. No, I don't.

THE COMMISSIONER: Was he there when you arrived?

A. At one o'clock?

Q. At one o'clock.

A. No, he was not.

Q. When did he arrive?

A. He was there when I came back.

Q. From the bank?

A. Yes. Mr. Roach, I am not saying that was the day I went into the bank. I don't know whether that is the day I went into the bank, but I identified the bank.

MR. WILSON: Q. You better search your memory, you are under oath.

A. Right, sir.

Q. Was it decided when you went to meet McDermott and Feeley that they had better bring Wright in?

A. It was no decision of mine, that is sure.

Q. I am not saying it was your

decision, was it decided before you went to the bank they better get Wright in for a conference?

A. Not that I had decided to get Wright. I knew he was coming in, or supposed to come.

THE COMMISSIONER: When did you know that?

A. When I was there the first time.

Q. Who told you that?

A. McDermott and Feeley.

MR. WILSON: Q. And what were they going to get him in for?

A. They were discussing the trial, not this here thing, not this Commission. They were discussing the trial.

Q. But you have told us that this contacting McDermott and meeting him right after you got the subpoena was because you got a subpoena to be a witness before this Commission.

A. Right, sir.

Q. Are you now suggesting that the discussion you had with them on that occasion had to do with the trial and not with this Commission?

A. I would say it had to do with both, sir.

Q. Now, what was the discussion with Wright, what was being discussed between

you?

A. Actually, the only thing I discussed with Wright was his visit to my motel. That is the only thing that I discussed with Wright.

Q. Now, what did you have to say about his visit to you?

A. Well, that I wasn't sure of the date.

Q. Yes?

A. And that ---

Q. What was your best recollection that day as to the date?

A. The day, the occasion that Wright that -- or Wright approached me at the motel and discussed the investigation, or whatever you want to call it, what he was conducting, was shortly after he was transferred, sir, and would be some time In January.

Q. Shortly after he was transferred. That would be early in January of 1960?

A. Well, I wouldn't say early, sir, but it was in January.

Q. Now, what did you tell Wright, or your recollection of what he had said to you when he visited you at Kingston?

THE COMMISSIONER: Hurry up.

A. My recollection what he said to me or I said to him?

MR. WILSON: Q. You were to get your story straightened out. What did you tell him your recollection was on what he said to you when he came to Kingston?

A. That he was transferred, that he didn't know why he was transferred. He wasn't satisfied with his transfer, and he felt there was something wrong with the Branch, and they wanted him out of there. That is the way he started to talk to me. And that he felt the reason he was being transferred was because he had worked too hard trying to close down the gambling establishments, and there was somebody dishonest in the Branch. And because he had made it known that he didn't trust two or three people higher up he was transferred.

Q. And did he tell you who he didn't trust?

A. I don't think he named any specific person, sir.

Q. What did he want you to do?

A. He asked my advice. Actually, he asked me, he asked to borrow two thousand from me. He used the word "extend".

THE COMMISSIONER: Used what?

A. Extend. He wanted to know if I would extend him $2,000 to conduct the investigation. That is exactly what he said

to me.

MR. WILSON: Q. What was he going to investigate?

A. He was going to investigate a particular officer, Scott.

Q. He was going to investigate Constable Scott?

A. Yes.

Q. What advice did you give to him about that?

A. Actually, I advised him against it. I told him I certainly wouldn't extend him any money. And I thought he would know why he was transferred. I wouldn't know why he was transferred. He would know why he was transferred. And he appeared to me to be sincere. He was vexed at being transferred, and through the misdemeanours of somebody else.

Q. Was he asking you to advise him or tell him what you thought was the reason for his transfer?

A. No. I wouldn't say he asked me what I thought was the reason for his transfer, no. He did ask me about the investigation.

THE COMMISSIONER: What investigation?

A. That he intended to conduct.

MR. WILSON: Q. What was he going to investigate about Scott, as he told it

to you?

A. He told me that he thought Scott was doing business with the gamblers, and he was going to spend some money for to get him, introduce him into a clique, or something. He said it would take ---

Q. Did he tell you how he was going to spend the money?

A. No, sir, he did not.

Q. And you didn't ask him?

A. No, I did not, sir. As a matter of fact, I advised him against it.

THE COMMISSIONER: I am interested in that, Mr. Wilson, if you don't mind me asking.

Q. You were a good, honest officer?

A. Yes, I was.

Q. All the time?

A. Definitely, sir.

Q. And being a good, honest officer, and interested in the Anti-Gambling Squad doing its job?

A. Right, sir.

Q. I should have thought that when Wright told you he was suspicious that there was some dishonest officer there and he was going to conduct an investigation, I should have thought that you would have said in substance "God bless you, go ahead,

if there is something wrong I would like to see it turned up"?

A. No, that is not what I said.

Q. No, of course, that is not what you said.

A. And it wouldn't be my advice to him. May I have a glass of water, please?

C-2 Q. Why were you urging him not to go ahead with the plan that he had considered?

A. Mr. Roach, the man was very erratic, the man was drinking.

Q. This is Wright?

A. Yes, Wright, absolutely right.

Q. He was drinking?

A. Yes, and he felt very disturbed.

Q. Yes?

A. And I felt that he, that he had been transferred for some other reason.

Q. Other than what?

A. Other than what -- he didn't know what he was transferred for.

Q. No, no. You felt he was transferred for some reason other than what?

A. I assumed if he had been drinking ---

Q. Now, just a moment, Mr.Cronin. Just take your time. You felt he had been transferred for some reason other than what?

A. Other than what he told me.

Q. What did he tell you the reason was?

A. He was working too hard on the gambling houses.

Q. Yes.

A. And I think he said because he had a report, I think he said he had a report on, on the gambling clubs, why they should be closed.

Q. And he told you he thought that was the reason why he was transferred?

A. Yes.

Q. But you didn't believe that?

A. No, sir, I did not.

Q. You thought he was transferred for some other reason?

A. Yes.

Q. What was the other reason?

A. For drinking, or something. I said: "You know why you were transferred". After asking him: "You know why you were transferred", he said: "I have no other reason. I didn't get in any trouble. That is the only reason I can think I done a report on it".

Q. You didn't think he was transferred because he done a report on it, as you put it?

A. No.

Q. Or he worked too hard to get the clubs closed?

A. That is nine years later, and the clubs are still running.

Q. You don't think he was transferred because he worked too hard?

A. No.

Q. You thought some other reason. What was the other reason?

A. Possibly because he was drinking.

Q. Possibly because he was drinking?

A. Yes.

Q. Do you really think he had been transferred because he was drinking?

A. I didn't come to that conclusion.

Q. That didn't cross your mind at all?

A. Yes, it did, because I mentioned it to him. I mentioned it to him.

Q. You didn't think that was the reason he was transferred, you told me that in substance.

A. I wouldn't give that much thought.

Q. No, of course you wouldn't. What was the reason you thought he was

transferred?

A. I don't know. And the longer I talked to him the more I thought he was sincere in what he was telling me.

Q. That there was corruption?

A. Right, sir.

Q. And the more you talked to him and were convinced he was right, I should think that the more you would be anxious he would carry out his investigation?

A. No.

Q. As a good honest officer you would want this corruption exposed. Why wouldn't you want it exposed?

A. I gave him my advice. It was no concern of mine. I told him he was going to get into trouble.

THE COMMISSIONER: Mr. Wilson, pursue that.

MR. WILSON: Q. In 1955, when you made this proposition to Shrubb, you were doing that on the basis of what you told us, because you were interested in ferreting out corruption in the police force?

A. My suspicions, yes.

Q. Then, if you were very anxious in 1955 to ferret out corruption in the O.P.P., why wouldn't you assist this man?

A. No.

[illegible]

A. I don't know, but the Commission's ruling is more than I bargained for when I volunteered to draw this map for the [illegible].

Q. Have there been any [illegible]

A. Slight, sir.

Q. And you were just ordered to [illegible] and were overruled by the [illegible]?

A. Yes.

Q. As a good Democrat [illegible] you would have [illegible] why wouldn't you [illegible] in [illegible]?

A. I guess that my [illegible] is on [illegible] of state. I don't [illegible] was going to get [illegible] [illegible].

THE QUESTIONER: Mr. [illegible]

[illegible]

Mr. [illegible]: Q. In fact, [illegible] made this [illegible] to [illegible] you [illegible] during that [illegible] of what you [illegible] Mr. Because you were interested in [illegible] and [illegible] in the [illegible]?

A. My [illegible], yes.

Q. Even if you were [illegible] because in [illegible] to [illegible] [illegible] by the C.P.C., was [illegible] [illegible] [illegible]?

A. [illegible]

Q. In 1960, assist this man?

A. I wasn't as anxious in 1955 as I was this day with Wright. I saw Shrubb on one occasion and one occasion alone.

Q. You were not as anxious in 1955 as you were in 1960? Whatdoes that mean?

A. I knew Wright was going ahead and carry on in a lengthy -- according to him he was going to carry on in a lengthy ---

Q. Why were you less anxious in 1955 than you were in 1960, tell me that?

A. After talking to Shrubb for a few minutes I came to the conclusion that there was nothing corrupt about Shrubb.

Q. So you dropped your personal --- As far as Shrubb, right.

Q. You dropped your personal investigation immediately?

A. Right, sir.

Q. In 1955?

A. Right, sir.

Q. Because you couldn't get him to go along with your proposition?

A. It is not I tried to get him to go along with my proposition.

Q. That will explain itself. What else did you discuss with Wright in this meeting in Kingston?

A. He, he mentioned that he suspected one officer.

Q. Yes?

A. And he said that he knew on occasions ---

Q. Who was the officer he said he suspected?

A. Scott.

Q. Yes?

A. Constable Scott.

Q. Just go on with your story.

A. He said on occasion that he had felt when he was doing work that when he got to whenever he was going he felt they had been tipped off.

THE COMMISSIONER: What did you say to that?

A. He said he had in the Niagara --

Q. What did you say to that?

A. I don't recall saying anything to that particular thing, sir.

Q. Not a thing?

A. Well, I mean -- ah -- I certainly couldn't put it in sequence like that, what did I say to that. He said -- he referred them to a situation or an event in the Niagara Peninsula. And I recall telling

him that there was some verification to that because I had met a George Reid. I don't think I told him where I had met him, but I had met George Reid in the sports shop in Eaton's store. And that was certainly before Wright came down there. And I don't know how long before, whether it would be a year before, but a while before. And I asked George how things were going and he said they were pretty rough. He said the places were going to have to close, they were getting out of hand.

THE COMMISSIONER: This is after you resigned?

A. Yes, sir. He said a couple of kids in the squad were sewing patches all over the Peninsula.

MR. WILSON: You will have to speak louder.

THE COMMISSIONER: He said that Reid told him a couple of kids on the squad were sewing patches all over the Peninsula. Who were the kids?

A. I don't think Reid ---

Q. Now, now.

A. I don't know who they were. I know now.

Q. Who were they?

A. Lamorie.

Q. And Lawrence?

A. And Lawrence, right, sir.

Q. Reid told you that?

A. No, I wouldn't say that. I don't know whether Reid told me their names. He said a couple of kids. I am not saying that Reid named them. And if Reid named them I would certainly forget the names, that is for sure.

Q. You wouldn't make any mistake about that?

A. I am no good at remembering names.

Q. Your memory seems to fail you in other respects, too.

A. If it is, sir, it is not - no fault of mine.

MR.WILSON: Q. What did you discuss about the Niagra Peninsula, what other names were mentioned in that connection?

A. Balsom's.

Q. What was said about Balsom?

A. Reid told me Balsom had set up an office in St. Catharines, and that he had the Peninsula sewed up. And that I told Wright.

THE COMMISSIONER: When was this meeting with Reid?

A. I had no meeting with Reid, sir.

Q. You bumped into him. I didn't suggest a meeting was pre-arranged.

A. I believe it was the previous hunting season, or the hunting season.

Q. When was this?

A. January, 1960, sir.

MR. WILSON: Q. Around ---

A. No, not that time.

Q. It was around January of 1960 you saw Wright in Kingston?

A. Yes.

Q. Fix the date you saw Reid.

A. I think it was the previous hunting season.

THE COMMISSIONER: That would be the Fall of 1959?

A. Yes.

Q. You met Reid in the Fall of 1959?

A. George Reid, sir.

THE COMMISSIONER: Oh, yes, we know him.

MR. WILSON: I think we can get along without you doing your nails.

THE COMMISSIONER: Q. Among other things he told you one, a couple of kids on the Force ---

A. On the Squad, sir.

Q. Well, that is what I mean. What did he say about them?

A. Were sewing patches.

Q. Were sewing patches?

MR.

MR. WILSON: All over the Peninsula.

THE COMMISSIONER: All over the Peninsula?

A. Yes, sir.

Q. That is one thing he told you. You don't know whether -- you don't know whether he mentioned their names or not?

A. I don't think he did, sir, but I don't know.

Q. That is one thing he told you. The second, what was the other thing he told you?

A. That ---

Q. Sammy Balsom.

A. Sammy Balsom had set up ---

Q. Had set up an office?

A. Right, sir.

Q. What about it?

A. In St. Catharines and he was taking care of the kids.

Q. Yes. What did he say about the Peninsula, that he had the whole Peninsula tied up?

A. Sewed up.

Q. He had the whole peninsula sewed up. Why would Reid be telling you that?

A. Well, I certainly didn't ask him.

Q. I know. Why was he telling

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you that?

A. Well, I would think that he would think it would be interesting to me.

Q. Why to you?

A. Why to me? Because I had been on the Squad for quite a few years. I had arrested Reid two or three times and I asked him: "How are things going"?

Q. Yes.

A. And apart from that, why he would tell me, I can't tell you why he would tell me.

Q. Well, he wouldn't tell me, of course.

A. No.

Q. I am very interested why he was confiding that information in you.

A. I don't think he was confiding in me at all. I don't think he confided in me. There was certainly no discussion or agreement for not to tell it to anybody. I mean, I think he was ---

Q. He wasn't telling you so you would go to the Attorney General with that information?

A. No, sir.

Q. Why?

A. I can't say, apart ---

Q. How did it come up?

A. Just as I say, I asked him

how things were doing. I know George Reid, that is what he did for a living in those days.

Q. What?

A. Worked for gambling institutions.

Q. And you were interested in how he was thriving?

A. I wasn't interested.

Q. You asked him how things were doing?

A. Naturally, if I met a baker I would ask him how things were going.

MR. WILSON: Q. Have you told us all that George Reid told you on that occasion?

A. Well, I don't recall anything else, sir.

Q. And did you consider it your duty as a citizen to give this information to the Anti-Gambling Branch?

A. No, I did not, sir.

THE COMMISSIONER: He was not so anxious to clean up the Anti-Gambling Branch on that occasion.

MR. WILSON: Q. Yes, just a few minutes before you were more anxious to get at any corruption.

A. I think I was more interested in Wright, in Wright's investigation than I was in that other.

THE COMMISSIONER: Wright's investigation involved cleaning up the Anti-Gambling Squad?

A. And involved him personally.

THE COMMISSIONER: Yes.

MR. WILSON: Q. You knew George Reid for some years prior to that meeting?

A. Yes.

Q. And you knew what he was doing in the Fall of 1959?

A. No, I did not know what he was doing.

Q. Didn't you ask him?

A. No.

Q. I thought you would have asked.

A. I would assume he was still in the ---

Q. In the same old spot?

A. Yes.

Q. Out at the Centre Road Club?

A. Right.

Q. Have you told us everything you discussed with Wright in Kingston?

A. I told him if he did go ahead with it I felt he would get in trouble. But if he was going to go ahead with it to write everything down and make notes, and be very thorough, because I felt he should take somebody in confidence besides himself. And I know I told him there were people at

the Attorney General's Department that could be trusted. There would be no reason to suspect the Attorney General's Department.

Q. And who were the people at the Attorney General's Department you told him could be trusted?

A. I didn't specifically name anybody.

Q. Well---

A. I would assume you could trust anybody in the Attorney General's Department.

Q. Your own evaluation of Wright he had been drinking too much?

A. No, he was very erratic, and I assumed it was because he had been drinking. Although, mind you, I refused to talk to him on the next occasion he came down there because he was drinking.

Q. On this occasion you thought he was in any condition you could confide in him along the lines you indicated?

A. Confide in him?

Q. You were confiding in him all this information you say George Reid had given you?

A. I don't want to appear biased or contemptible -- confide, do you mean ---

Q. Told him about these things,

then?

A. Yes, there was no deep secret as far as I was concerned.

Q. No. Now, have you told us everything about that discussion you had with Wright?

A. I think so, sir.

Q. Now, in an Exhibit that has been filed here, Exhibit 157, which purports to be a diary of Constable R.J.Wright. Under date of February 29th, 1960, he makes a statement about his meeting with you on page 7. It reads as follows:

"N.B. 1. At this time I should "point out that I had contacted "Mr. J. F. Cronin, a former Sergeant "at the Branch, and talked with him "about information from the underworld. "I contacted him at Kingston at his "motel."

Now, first of all, did you talk with him about information from the underworld?

A. Well, would George Reid be from the underworld?

THE COMMISSIONER: What would you think?

A. I would think so, sir.

MR. WILSON: Q. Then, it goes on: "J.Cronin informed me of many things, "and told me to contact him any time

"I wished to."

Now, is that right?

A. Well, I don't think I made it that obvious, any time he wished to. But I certainly told him if I could help him I certainly would do so.

Q. That is a little inconsistent, you said you turned him away the next time he came to you.

A. I haven't got to that.

Q. He goes on:

"He was convinced two officers "were tipping off the gamblers "in the Niagara Peninsula."

Now, that, I think, you have already told us you told him?

A. Yes, sir.

Q. It goes on:

"He told me how he heard that "someone in the Branch was tipping "off a Mr. Balsom."

Now, isthat -- did you tell him about Reid telling you?

A. I didn't mention Reid to him, sir.

Q. "He told me how he heard "that someone in the Branch was "tipping off a Mr. Balsom."

A. Right. I didn't tell him Reid, no, sir.

Q. You didn't tell him the source of your information?

A. No.

THE COMMISSIONER: You told him how you had heard?

A. That I had heard -- no, I didn't, sir.

Q. That is his language, that you told him how you had heard.

A. I certainly wouldn't tell him that George Reid told me.

Q. Never mind what you would tell him.

A. I didn't tell him. I didn't tell him.

MR. WILSON: Q. Then it goes on:

"He told me that Mr. Dalson had "been told by the informants that "under no circumstances would he "contact the informants at their "homes."

A. Well, that information I never gave him.

Q. You deny that?

A. That is right, sir.

THE COMMISSIONER: Just read that again.

MR. WILSON: "He told me that Mr. "Dalson had beentold by the informants "that under no circumstances would he "contact the informants at their homes."

Q. And you deny that you told him that?

A. No, I didn't tell him that, sir, because I wasn't told that.

Q. Then it goes on:

"Any time the Branch was going to raid "a bookmaker in the Peninsula that "they would contact Mr. Balcom in "a bowling alley in St. Catharines."

Now, did you tell Wright that?

A. I don't recall it in those particular words, sir. But that was mentioned, a pre--- the Peninsula would be pre-warned of any raid in the Peninsula, the bowling alley where, what's-his-name had his office.

Q. By contacting Balcom?

A. Right, sir.

Q. Then it goes on:

"Sergeant Cronin also informed me "that the two men from the Branch "had definitely been paid money by "Mr. Balcom."

A. No, I didn't say that, sir, myself, I couldn't say.

Q. We are getting into a sensitive area. Now, do you say that Wright has falsified that statement?

A. If he says I told him that, then it is false.

Q. It is false?

A. Absolutely.

Q. You denied that you told Wright that?

A. I didn't tell Wright that.

Q. Well, wouldn't it be natural if these two men on the Force were giving tip-offs that they would be paid money?

A. Mr. Wilson, wouldn't that be only assumption on my part? I would think that that would be natural, but I can't say.

Q. You seem to be a good man at assuming things. Wouldn't you assume that on your experience?

A. I would think they would be paid for their services, in other words. Mr. Wilson, I don't think that that date would be right.

THE COMMISSIONER: What?

A. I do not think that date would be right, February 29th.

MR. WILSON: Q. He doesn't say you told him that on that date. He says in opening "At this time I should point out that I had contacted Mr. J.F.Cronin" some time previously, obviously.

A. I thought you said on ---

Q. That is the date under which he starts it. In his ---

A. But it wasn't the 27th.

Q. No, he doesn't say it was the 27th.

So, that you had your discussion with McDermott and Feeley and Wright about your meeting at Kingston. Now, what was the concern of McDermott and Feeley about your meeting with Wright at Kingston?

A. I don't know.

Q. Why are they concerned about all this?

A. I don't know, sir, why they were concerned.

THE COMMISSIONER: Why would you be telling them?

A. Because they were charged jointly, so, they are concerned.

C-4 MR. WILSON: Q. What would it have to do with McDermott and Wright -- McDermott and Feeley, this discussion you had with Wright?

A. The mere fact they were charged jointly would involve them. They certainly were concerned about it, there is no doubt about that.

Q. And they are the people you say brought Wright in to this meeting this day?

A. I didn't say they brought him in.

Q. Who brought him in?

A. I assume he walked in.

Q. I didn't ask you if they carried him in.

A. They may have contacted him the night before. I was informed he was going to be there.

Q. You weren't the man who contacted him?

A. No.

Q. It was either Feeley or McDermott?

A. Not necessarily, Wright might have told McDermott and Feeley to be there, I don't know.

Q. What else did you discuss on that occasion with Wright, McDermott and Feeley?

A. I don't recall any particular thing, sir.

THE COMMISSIONER: This is the occasion in the Royal York, you understand that?

MR. WILSON: Q. This is in the Royal York, this is the one to five period with the three-quarters out for the bank.

A. Right, sir.

Q. Now, what was the next meeting that you had with any of these men, was it the one at the ---

A. I would think it is.

Q. At the Lord Simcoe?

A. I would think so.

Q. How long after the Royal York meeting was the meeting at the Lord Simcoe?

A. I don't know, one month or two months.

Q. Would it be one month?

A. I would think it would be one month. It would be one month before I was back.

Q. If this meeting was around the 11th of March, this would be some time in April, do you think?

A. Well, I wouldn't say, sir, it may have been May. It may have been May.

Q. And it was either April or May; is that right?

A. Well, I am not going to guess, sir, that's for sure.

Q. Was it in June?

A. I don't think so, sir, we are in June now.

Q. It wasn't this month.

A. Definitely not.

Q. When did you go off to Germany?

A. When did I go off to Germany?

Q. Didn't you have a trip recently?

A. Mr. Wilson, I told you I wanted to go to Germany, but on account of this here I cancelled it. I couldn't go. I didn't go.

Q. You didn't go?

A. No.

Q. I thought when you called me and said you were going, if it wasn't going to be a problem asfar as you being called as a witness on a particular day.

A. I am sorry you misunderstood me, sir, but that is not what I said.

THE COMMISSIONER: Let us have ten minutes.

--- Whereupon the hearing recessed.

(Page 8870 follows)

Q. Now, we were trying to fix the date of the meeting at the Lord Simcoe Hotel and you say it may, you believe, have been in April or May?

A. I would say so, yes.

Q. And at that meeting who was present?

A Just McDermott and Feeley.

Q. And then you told us about the meeting you had with -- where you met McDermott last Thursday on the day after you gave evidence here, is that correct?

A. That's right.

Q. Did you tell us who exactly were present at that meeting?

A. At that meeting with McDermott?

Q. Yes?

A. There was only McDermott.

THE COMMISSIONER: Q. That was at his house?

A No, I walked over to his house.

Q You met him at his house?

A Right, sir.

MR. WILSON: Q. That is three meetings you have told us about after March, is that right?

A That's right.

Q. The Royal York, the Lord Simcoe and the one last week, were those all the meetings you

had with McDermott, Feeley or Wright?

A. No, sir.

Q Tell us what other meetings you had?

A. Well, I don't think I ever went to another hotel. I walked over to Joe McDermott's house three or four times.

Q. I see.

A. I don't remember how many times.

THE COMMISSIONER: Q. In addition to three times you told us about?

A. Right.

MR. WILSON: Q. Who would be present?

A. Well, just McDermott.

Q. And what were you discussing with McDermott on those occasions?

A Well, no doubt we discussed something about this Commission. I don't remember anything, specifically, and I assume he was interested in other discussions about mines and so on; but, we did mention the Commission.

Q. What was his ~~ad~~ advice about the Commission on these three occasions?

A. I didn't need any advice and he didn't give it.

Q. What did he say about the Commission~~er~~, then?

A. Well -- I mean -- I think he was supposed to come up first. Feeley was coming up, and I went over and relayed at this time the transaction, again, to him. That would be before -- that would be two or three nights before Feeley was coming.

Q. Is there anything else he had to say about the Commission?

A. I don't recall anything in particular, sir.

Q. Well, did you go over to see him on these three occasions to discuss anything else other than the Commission?

A. No.

Q So that is six times at least you have been discussing matters pertaining to this Commission with McDermott since March 9th, 1962?

A. I think that would be reasonable.

Q. Have you told us all the occasions?

A I have told you all the occasions that I recall, yes.

Q. Coming back to September 18th, 1956, we have had a report by Shrubb which has been filed as Exhibits 112 and 113. He relates certain statements made to him by Vincent Feeley in a telephone conversation and also, in particular, so far as you are concerned, and

a meeting of August 31st, 1956. These refer to you. It is paragraph 8, subparagraph (b), J.F.Cronin:

"That Cronin got to take money
"from every gambler throughout
"the Province (reading to words)"

THE COMMISSIONER: Is that 112?

MR. WILSON: 112 and 113.

THE COMMISSIONER: Is that an exhibit?

MR. WILSON: Yes, Mr. Commissioner.

Q. Why would Feeley make a statement like that?

THE COMMISSIONER: Just a moment.

MR. WILSON: It is on page 2 of that exhibit, paragraph 8(b).

THE COMMISSIONER: Oh, yes.

MR. WILSON: Yes.

Q. Now, did you take money from gamblers throughout the Province?

A. Never, sir, absolutely not.

Q. And did you get enough money saved up?

A. Saved up, sir?

Q Mm?

A What for?

Q. Well, very obviously,from the context of that - - -

A I have never had enough money saved up.

Q. Now, were you taken aside by McDermott and Feeley and cautioned about playing the field?

A. Never, sir.

Q. And to play only with them? And youwould be better off in the long run?

A. Never, sir.

Q. Why would Feeley make those sort of statements about you to Shrubb?

A. I have no idea, you will have to ask him; if he made them, they are false and I would have no idea about them.

Q They are rather slanderous, if they are not true?

A. Yes.

Q. How long have you known that he had made these statements?

A. This is the first time I have known.

Q. This is the first time?

A Definitely, sir, it is.

Q. And you can give no reason as to why he would make these statements about you?

A. No, I couldn't sir, I don't know anything about the circumstances under which he made the statements.

Q. Well, the circumstances were that he had a meeting with Shrubb on the 31st of

August, 1956, and Shrubb made the usual report following that meeting, and that is what he had to say about you?

A. I would say no; I have no idea why he would say it.

Q. They are - - what he is saying about you, and you are swearin_g under oath, that everything he said about you is untrue?

A. Definitely untrue.

Q. Now, after this first meeting you had with Wright at Kingston, did you have any further communication from him?

A After the first meeting at Kingston?

Q. Yes?

A. Yes I did, sir.

Q. When was that occasion?

A. I don't know what day it was, but he came back to the motel ~~m~~ with two police officials. I think they were police officers, and stopped in at the motel.

Q. Yes?

A. And that would be before he was arrested.

Q. How long before he was arrested?

A. I think it would be quite a while, maybe a month or maybe two weeks.

Q. Then, didyou have a talk with him about the Niagara Peninsula on that occasion?

A. I didn't.

Q. What did you talk with him about on that occasion?

A. I didn't discuss it.

Q. Are you telling us shortly after he was transferred you had no further discussion with him?

A That is right, sir.

Q. That is right.

A. I had no further discussion with regard to the investigation.

Q. Did you talk to him on the phone?

A. No, he said - - he stopped at my place, for, I guess, an hour, because the people went away.

Q. Who was with him?

A. I don't know their names. He said they were police officers from Belleville.

Q. You didn't inquire as to their names?

A. No.

Q. Is that the only occasion after the meeting in August that you spoke to Wright after he was arrested?

A. The only occasion after he was transferred?

Q. Yes?

A. That's right. I don't know.

Q. You said Wright. Between that time and the time he was arrested, which was May 28th, there was only one other occasion when you saw him or talked to him?

A. Yes, sir.

THE COMMISSIONER: Q. There is no doubt about that?

A. No doubt, sir.

MR. WILSON: Q. Exhibit 67, which is, again, Wright's diary, he has this reference under date of April 10th, 1960, which is on page 12.

"Contacted P.C.Scott at his home,
"Oxford 4-0731 by L.D. phone,
"I told him I had been talking to
"a person (Cronin) that the St.
"Catharines opening on Sunday.
"He said he heard Lamorie talking
"about a bookmaker in St.Catharines
"operating in the main street".

Now, did you make any such statement to Wright as he has set out in his report?

A. Definitely not.

Q. Well, C-r-o-n-i-n, is that the way you spell your name?

A. That is what you said he said.

Q. I will let you read it yourself.

(Hands document to witness)

A. I certainly never made that statement to Wright.

Q. Do you deny you made this statement that he reports here?

A That is what he said; that is not what I said.

Q. Now, you first of all deny you were talking to him about St.Catharines opening on Sunday?

A. Right, sir.

Q. You definitely deny that?

A Right, sir.

(Page 8895 follows)

Q. You deny you were talking to him about St.Catharines, saying - - -

A. I do.

Q. You deny that?

A. Right.

Q. Did you talk to him at all, on that occasion about St.Catharines?

A. No sir. Are you talking about the second occasion?

Q. That is the occasion we are talking about. The only occasion you say you talked to him, befofe he was arrested?

A. I never mentioned - I refused to discuss with him, that, because he was drinking.

Q. Did he mention that?

A. No he did not. There was no discussion at all.

Q. Now, in this same report of April the 10th, he says:

" I had heard from Cronin about Davidson's back end. "

What do you mean by that?

A. I would not know anything about Davidson's back end, and therefore I never said that.

Q. Where was Davidson's back end located?

A I have no idea where Davidson's

back end was located.

Q. On May the 2nd, 1960, in this same exhibit, in the Scott Diary - I am sorry; it is in the Wright Diary; in the Scott Diary, which is Exhibit 61, under date of May the 2nd, George Scott refers, or records a telephone conversation he had with Joseph McDermott on that date. It is on page 22 of the exhibit, under item "C".

This reads as follows: - -

THE COMMISSIONER: Page what?

MR. WILSON: 22.

"Cronin - - "

And then in brackets:

" Sergeant Cronin, was in business "for ten or twelve years, and "was supplying the offs to many "places. The guy had the heart "of a lion."

Was that statement of McDermott, to Scott as recorded here, a true statement?

A. A false statement.

Q. A false statement?

A. Definitely a false statement.

Q. Why would McDermott have any reason to make a false statement about you?

A. There again, it is McDermott talking to Scott, and it would be to his benefit, possibly. I cannot say why he was going on about it.

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THE COMMISSIONER: Just a moment. Who? McDermott?

THE WITNESS: Yes. He certainly was not trying to help me, and if he said it, that is for him to answer. I cannot say why he said it.

MR. WILSON: Q. When did you first learn about this statement?

A. I have heard about that statement.

Q. You have heard about it?

A. Yes, I have.

Q. When did you first hear about that?

A I could not say, sir.

Q. Was it when thefirst trial of McDermott and Feeley and Wright took place?

A. I would assume it was, but I will not say so. I do not know. It was during the trial.

Q. Did you ask McDermott about it?

A Yes, Idid.

Q What did he say?

A. He said he did not make it.

Q. He denied making it?

A. Yes, he did.

Q. I suppose he told you he would deny making it, when he came before the Commission?

A. No, he did not.

Q. Didn't he say that?

A. No, he did not.

Q. Now, on page 23 of that exhibit, under date of May the 8th, 1960, items C and D - now here Scott is concerned, that R.J.Wright met him on that date and made the following statement to him.

"C. I was a partner with "Cronin who was cut out. I "thought I would receive his share but I did not."

Was that statement of Wright's to Scott true, or false?

A. False.

Q. Did you ever have any partnership with Wright ?

A. Never, sir.

Q. And you deny that there was ever any relationship between Wright and yourself?

A. Financially.

Q. In regard to any tip-off operations?

A Definitely.

Q And then, in "D" in regard to May the 8th, Wright is reported as having said to Scott:

"Cronin made at least $100,000.

"I have got $30,000 anyway."

Dealing with that, did you make at least one hundred thousand dollars?

A. No I did not. If I did, I would still have it.

THE COMMISSIONER: Unless you invested it in a metal?

THE WITNESS: That is right, but I would still be able to account for that.

MR. WILSON: Q. And do you know anything about the Wright statement, that "I have made $30,000 anyway"?

A. I would not know if he made thirty cents, or anything. I do not know, and I would not think, to look at him, he has.

Q. And at page 6 of that exhibit, about a third of the way down, the conversation runs as follows:

"Scott: Of course Cronin had it
"coming now, mind you.
"McDermott: How did they know them?
"Scott: Well, I don't know how
"they know, but - - -
"McDermott: Just gossip No more
"than they will know right now.
"Scott; No, I would not say that
"Joe. I would not say that.
"I have heard several distorted stories
"about it, but Armstrong - - -
"McDermott: That is what they are,
"distorted stories.

"Scott: No. Armstrong put the
"finger on him. You were there that
"night. I think you were parked in
"your car or something, and Armstrong.
"McDermott: Cronin - Armstrong
"came up to Cronin's house. This
"is six months after.
"Scott: Six months after, yeah.
"Well, that is what I say.
"McDermott: What the hell did Cronin
"care then?
"Scott: Yes, I know. But I say
"they knew at that time, then there
"were not many doubts left after that.
"McDermott: Listen, I will tell
"you what kind of guy Armstrong was.
"Armstrong had the bottle there for
"taking up the collection for donuts
"and coffee inthe morning, and
"Cronin set a couple of traps for
"Armstrong. Haha."

Now, did you set any traps for Armstrong?

A. No, I did not, sir.

Q. Do you know anything about this story, that McDermott is talking about?

A. Yes sir, I do, sir.

Q. Or, money missing from the donut jar?

A. Yes.

Q. And was Armstrong involved in that incident?

A. Yes.

Q. And are you saying that he was stealing from the donut jar?

A. He was not contributing.

Q. He was not contributing?

A. That is right, sir, that is right, and I will give you the names of the officers you can question on it, if you want to.

THE COMMISSIONER: Do not clutter up the record with that.

MR. WILSON: Q. Did Armstrong put the finger on you?

A. Put the finger on me? No. You know the report he done; if that is the finger, that is the finger.

Q. And do you recall having a meeting with Inspector Graham and Constable Moore on June the 23rd, 1960?

A. Yes, I do sir.

Q. There were two meetings; one on May the 4th, 1961?

A. I would not - - there were definitely two meetings.

Q Inspector Graham came along to your house the second time, and he - - -

A The second meeting. The

second meeting.

Q. Let me get this straight. Both the meetings were at your Port Credit home?

A. On that?

Q. At the first one?

A. Yes sir.

Q. And at the first one, was Graham alone?

A. Maybe it was the first one, sir. I could not say it was the first time.

Q Maybe we could get this straightened out. The first meeting was in 1960; that was Moore and Graham, in June, 1960?

A. It runs in my mind that the first meeting, was the two of them.

Q. It was right after Wright's arrest?

A. I do not think it was right after.

Q. Well, within a matter of weeks?

A. Yes, that is right.

Q. And he was arrested on May the 28th, 1960. Now on that occasion did you tell Graham and Moore that you would not make a statement?

A. Yes sir.

Q. Why?

A. I did not say I would not make a statement. I said I preferred not to make a

statement.

Q. I thought a minute ago you told him you would not make a statement?

A. No, I did not. I would never be put in that position, surely, that I had to decide that I would not make a statement.

THE COMMISSIONER: What?

THE WITNESS: Would they insist on making a statement? I mean, I would not have to state I would not make a statement. I preferred not to make a statement.

THE COMMISSIONER: Q. They had asked you to make a statement?

A. They asked me to make a statement.

Q. What did you say?

A No. I told them I would testify under oath.

Q. And you saidyou would not make a statement. They asked you to make one, and you said "No"?

A. That is right, sir.

Q Is not that the same thing, as saying: "I will not make a statement?"

A. I do not think it is.

Q. You do not think it is?

A. Yes, that is right.

MR. WILSON: Q. Did you tell them that you had received a call from David Humphrey,

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the day after Wright's arrest?

A. Shortly after his arrest. I think maybe the next day or the next day.

Q. What was David Humphrey calling you about, after Wright's arrest?

A. About notations in the notebook.

Q. What notebook?

A. That they found on Wright.

Q. That who had found on Wright?

A. The Provincial Police.

Q. Were these the notations I have referred you to?

A. I cannot say that.

Q. What did Humphrey ask you?

A. He said he was representing Wright, and that among his possessions was a notebook, with a note or notation where he had visited me at the motel. Was that right? I said yes, he had visited me at the motel.

Q. Did Humphrey tell you how he he knew what was in the diary?

A. No, he did not.

Q. You told him I take it what you have told us here, this morning?

A. No, no, no. I talked very shortly to Mr. Humphrey. I told him if he needed me, where I would be; at the motel, or at my home, and he never ever contacted me.

Q. You did not hear from him?

A. No, I did not.

A. But around that time, did you hear from McDermott and Feeley?

A. No sir.

Q. And after Wright was arrested, how soon after he was arrested, did you hear from Wright - - I beg your pardon, from McDermott and Feeley?

A. I do not recall hearing from them, sir.

Q. Not at all?

A. No, I do not.

Q. After May of 1960, how soon was it after that that you saw either McDermott or Feeley?

A. I could not say sir.

Q. Was it a matter of weeks?

A. I would think it would be maybe a week; maybe ten days, maybe two weeks.

Q. Now, at this meeting with Graham and Moore on June the 23rd, 1960, did you tell them that Wright had named the higher-ups involved, but you refused to name them to Graham and Moore?

A. I do not recall saying that.

THE COMMISSIONER: Do you deny it?

THE WITNESS: To recall, saying he involved higher-ups?

THE COMMISSIONER: Read the question - -

MR. WILSON: Q. Did you on that occasion tell Graham and Moore, that Wright had named the higher-ups involved, but you refused to name them to Graham and Moore?

THE COMMISSIONER: What is the answer?

THE WITNESS: I do not recall making this statement, sir. I do not recall.

MR. WILSON: Q. Do you deny making it?

A. No, I would not deny it, sir.

Q. Well, could you have made it?

A. It is possible I could make it.

Q. Was it true, if you did make it?

A. That he named higher-ups? No, he did not, sir.

Q Did you tell him on that occasion that you were well acquainted with McDermott and Feeley?

A. With McDermott, sir.

Q. With McDermott?

A. I do not recall saying I was well acquainted with Feeley.

Q. Do you deny you told him that, on that occasion?

A I do not recall saying with Feeley; I certainly do, with McDermott.

Q. And did you tell him on that occasion that you had planned accompanying McDermott

and Feeley to the KRMO Mines the previous week, but could not make it?

A. I do not think they said it. They had invited me to the mine; I would not say it was Cronin's mine (sic), or if this word is the"Cronin's mine" it would be wrong.

Q. The KRMO Mine?

A. The name of the mine I would not know.

Q. They had invited you to go to the mine?

A. But no name was mentioned; certainly I would not have told Graham, because I would not know the name of the mine.

THE COMMISSIONER: Q. They invited you to go to a mine?

A. Yes sir.

Q. And they had only one?

A. I do not know this.

MR.WILSON: Q. You were not able to go?

A. I would not go; in the first place, I would not get in the plane and go. I would not say I was not able to go; but just not to go; and not that I would not; there was nothing sinister about the mine, because I did not.

I did say that Wright involved a higher-up; but I certainly did not say that Wright involved, and it is presumably - - - -

Q. Whom did he involve?

A. The second time he came to the premises, he certainly was very much the worse for liquor, and I refused to talk to him, and he got sore at me, and he told me he was not that intoxicated; he said he had been with C.I.B. - a C.I.B. inspector all afternoon, and the C.I.B. inspector - - and they were drinking in some hotel; I forget what.

Q. You deny that you told him that Wright had named the higher-ups?

A Right, sir. Wright named the inspector.

Q. Who was the inspector we are getting named, now?

A. Right , sir, he was investigating a murder at that time; a body that was found on the highway, outside of Kingston.

Q. Was this supposedly one of the higher-ups who was involved in something corrupt?

A. Who said there was anything corrupt! I mean, I certainly did not say there was anything corrupt.

Q. I mean, what was the name?

A. I did not want to discuss it. To be sure, two or three times I told Inspector Graham that I preferred not to be involved at all, and that I had three addresses, and at any

time he wanted me to testify, if he would send me a subpoena I would testify, no matter where it was, and I would give my testimony under oath.

THE COMMISSIONER: But you would not give him a statement?

A. No, I did not care to give him a statement. There were personal reasons for that. I mean, I know the inspector, and I did not know it was going to be going this far, and I still did not want to involve the inspector. Why should I?

THE COMMISSIONER: I do not understand that answer.

MR. WILSON: I do not, either. (To the witness) Are you still saying that Wright - I beg your pardon - that you did not tell Graham and Moore that Wright had named the higher-ups involved?

A. He named the inspector; he told me he had been drinking.

Q. Involved in what?

A. Wright did not say he was involved; you said he involved a higher-up. Wright involved a higher-up.

THE COMMISSIONER: Now that we understand that, for what it is worth, who was the higher-up?

A. The Inspector; in other words,

he had been drinking with the inspector all afternoon, and Wright was drunk when he came to my place, and he said he left the inspector, and he had been drinking all afternoon in the Princess Motor Court.

Q. And that is the way you meant, he involved a higher-up?

A. That is right, sir.

Q. I want what the personal reasons are? Why would you not give him a statement? What were the personal reasons?

You said you knew the inspector. Of course, we all know that you knew him.

A I would not want to write out a report, if I did not have to, to involve an inspector.

Q. No, no, no, no. You said you had personal reasons, and they involved your knowledge of the inspector. That is the way I understood you?

A. I mean to say this, Mr. Roach, certainly the Inspector's name was mentioned to me, and they had been drinking all afternoon.

Q. Now, you are talking about Inspector Graham?

A. Right, sir.

Q. And he asked you to make a statement?

A. Right, sir.

Q. You said you would not?

A. Yes.

Q. You said you had personal reasons? Why not?

A. That would be personal.

Q. What was?

A. That I did not want to involve the Inspector.

Q. Certainly it was a personal decision, but you connected your personal decision with the fact that you knew him. What has that got to do with it?

A. Well, it would seem to me that I was turning in the Inspector for drinking. I am not trying to be evasive.

Q. You are either evasive, or stupid.

A. Then I am stupid, because I am certainly not evasive.

THE COMMISSIONER: I give up, Mr. Wilson!

MR. WILSON: I think I am in the same position on that point.

(To the witness) Exhibit 159 is a list of telephone calls, under date of May the 31st, 1960; this is page 17, and the last call referred to on that exhibit.

THE COMMISSIONER: Page 17?

MR. WILSON: "7:05 p.m." There was

a call from Port Credit?

THE COMMISSIONER: What date?

MR. WILSON: May the 31st, 1960.

"Port Credit, Crescent 8-5289 to

"Kingston, Liberty 2-6741."

Crenin's Kingston Motel.

(To the witness) First of all, is Liberty 2-6741 the number of your motel?

A. That is right, sir.

Q. And this would be three days after Wright was arrested, before McDermott called you by phone, on the occasion listed here?

A. I will not deny it, but I do not remember it.

Q. Surely - - -

A. I do not remember it.

Q. You do not remember it?

A. No sir, I do not sir. I do not remember it. If you are suggesting that he called me to tell me about Wright, that is absolutely wrong, because he did not.

Q. Did he call you before or after David Humphrey called you?

A. I do not recall him calling, sir. I do not recall him calling; David Humphrey is the only one that called me at Kingston, and talked to me about Wright.

Q. What would McDermott and Feeley be calling you about on May the 31st, 1960?

A. Mr. Wilson, actually you cannot say that McDermott and Feeley called me, because I sat in here when that evidence was given, and there is not now anything definite that it was McDermott and Feeley that made that call.

But I am not trying to be evasive on that, either. I do not recall.

I assume possibly one of those fellows had called from that number.

Q. What would they be calling about?

A. I would not know. McDermott called me once; I do not know at what time it was and there was - - he told me a lady in Mapanse had a product for sale; a medicine product for sale, and he had seen it advertised in the papers, and I do not know what time it was. Joe McDermott called me five times at my motel all the time I have been there, and he has never been to the motel.

Q. Was that one of the matters you discussed at one of those meetings you have had with McDermott, in the last few months?

A. Do you mean that telephone call?

Q. Yes?

A. I do not recall that, telephone call, and he never mentioned that telephone call.

Q Did McDermott mention that

telephone call?

A. I would not. He did not mention it.

Q. On May the 4th, 1961, Inspector Graham called at your residence in Port Credit. Do you recall that?

A. Yes I do.

Q. And again he asked you to make a statement, did he not?

A. I do not recall him asking me to make a statement, but if he said he did, he did. He came to clarify a couple of points..

Q. He said you refused to make a statement on that occasion?

A. Mr. Wilson, I would not be put into a position, by Inspector Graham, to refuse a statement. Refuse means he attempted to get a statement.

Q. He said: "I asked him for a statement at that time, and he refused to make a statement." Do you deny that?

A. My interpretation for "refuse" is a bit different from yours.

Q. I know your interpretation is different on a lot of things.

A. Now, I declined to make a statement.

THE COMMISSIONER: That is refusing, is

it not?

MR. WILSON: Not in his book(Laughter).

THE WITNESS: This is not the way I was taught to present it.

THE COMMISSIONER: We will see.

He asked you to make a statement?

A No, I do not recall him asking me to make a statement. He came to my place, and he said he wanted to clarify a couple of points. I do not recall him asking me to make a statement, but if Inspector Graham said he did, I will not deny it.

Q. Then, we have it that he did say it?

A. No. I am not going to say that he did.

Q Mr. Graham said that he asked you?

A. That is right.

Q. Assuming that that is true - - -

A. I declined to answer.

Q. Is not that refusing, in your book?

A. No, it is not.

Q. What is it then?

A. It is declining to make a statement. Refusing, sir, seems to me as if - - I think it puts the implication on Inspector Graham, that he attempted to get a

[illegible]

[illegible]

[illegible]

statement.

Q. We have it this way: That he asked you to make a statement, and you said you would not?

A. That is absolutely - no, I am not saying that at all.

Q. For goodness sake, try and have me understand what you mean! It is crystal clear to me that if Graham asked you to make a statement, andyou said, "No, I will not" - - and is that what you said?

A. I said I would prefer not to.

Q. You said you would prefer not to?

A. Yes, and that I would testify under oath.

Q. You refused to give him a statement. It is just as simple as that, is it not? Let us not quibble about words.

A I would say, refused would be an admission that it was an improper attempt, of a person, to give a statement. I have always been taught that.

Q. Oh, why do you - - - -

A. It seems to me - - -

Q. Just a moment. Now, taking you, as you have put it: why were you preferring not to make a statement?

A. I would say that testifying

if under oath would surely be just as acceptable, and surely would be just as rightful, would it not? I think I made it very clear, that I would prefer to testify under oath, rather than make a statement.

Q. You told me that you told him that you preferred not to; and I am asking you, why you preferred not to? You hadnothing to hide?

A. No.

Q. According to your evidence now?

A. No, I had nothing to hide.

Q If you had nothing to hide, why not say: "Sure, I have nothing to hide. I will tell you everything I know!" Why did you not do that? You are an honourable man?

A I would not know!

Q. Why did you not do that?

A. I would not know it was going this far, sir. I would not know.

Q. What has that to do with it?

A. Well, if I erred, I erred, but I erred in good faith.

Q. We are not concerned at the moment with whether you erred or you did not err. But I am concerned about what was your reason, for your preferring not to make a statement, and to tell him you would not?

A. I did not want to get involved, unless it was going to get this far.

Q. Involved in what?

A. In any investigation.

Q. Was an investigation pending at that time?

A. That is why Inspector Graham was at my place.

Q. There was no investigation pending on May the 4th, 1961? You are thinking of this Commission?

A No. He asked me to clear a couple of points.

Q. Why did you not want to do it?

A. I did not want to become involved in any investigation.

Q. Why not?

A. I preferred not to.

Q. But why did you prefer not to? You had nothing to hide, you say?

A. That is right, sir.

Q. Why did you not help him clear it up?

A. I think, by giving my address and telling him I would be prepared - - -

Q. No, no, no. You had confidence in Graham?

A. Yes.

Q. He would not double cross you?

A. No.

Q. Why didn't you say: "Certainly Mr. Graham, what is it you want to know? I will try to help you"?

A. I mean, I did tell him certain things.

Q. No, no, no, no. He wanted you to make a statement?

A. I refused to make a statement.

Q. He wanted you to clear up two or three things, and clear them up by making the statement, and you said you preferred not to?

A. I mean, verbally I gave him a statement. But a statement is a written statement.

Q. Yes?

A. And I declined to make a written statement.

Q. Why?

A. I did not feel it was my duty to make one.

Q. You had nothing to hide? And you could be frank, and forthright?

A. I had nothing to hide.

Q. You could sit down and say:

"Sure, Mr. Graham, I have no reason for not giving you a written statement, on everything I know"?

A. It did not appeal to me that way.

Q. It did not appeal to you?

A. No sir.

Q. Why?

A. Well, I don't know either way, why.

Q. you cannot tell me that?

A. No, I cannot sir.

---Whereupon the Commission adjourned for lunch.

(Page 8925 follows)

AA/GS (S)

---On resuming at 2:34 p.m.

THE REGISTRAR: Mr. Cronin?

MR. WILSON: That is right.

J. F. CRONIN, resumes stand:

MR. WILSON: I have no further questions, Mr. Commissioner.

THE COMMISSIONER: Mr. MacKinnon?

EXAMINED BY MR. MACKINNON:

Q. I take it you remember, witness, when you first went to look at 1508 Kenneth Drive, before you purchased it from Mrs. Taylor?

A. If I remember doing that, sir?

Q. Yes?

A. Yes, I do, sir.

Q. Yes. You told us about your son. When was he born?

A. 1944, sir.

Q. 1944?

A. Yes, sir.

Q. Have you more than one child?

A. No, one child, sir.

Q. And you remember attending at the model home in this development where 1508 Kenneth Drive was located, and you picked up

the real estate agent who was to take you to Mrs. Edwards home?

A. Yes, I believe I do, sir.

Q. And you attended there with your wife and child, is that correct?

A. I don't recall the child, but certainly my wife.

Q. Your wife; and your son at that time would be approximately 12 years old, is that correct?

A. That would be 1956.

Q. Yes?

A. And this is -- it would be 6 years....

Q. He was born in 1944?

A. Yes, 12 years old, sir.

Q. What is your wife's maiden name?

A. Margarite.

Q. Her last name?

A. Oh. Lindsay.

Q. Pardon?

A. Lindsay. Lindsay.

Q. And did you not tell the real estate agent that you had been advised of this house by Mr. McDermott?

A. No, I didn't, sir.

Q. You so swear?

A. Yes, I so swear.

Q. And had you not come from Mr. McDermott's home just at that time?

A. No, I hadn't, sir.

Q. What is Mrs. McDermott's maiden name?

A. Silkstone.

Q. Silkstone?

A. That is right, sir.

Q. And did you not tell the real estate agent at that time that you, through your wife, were related by marriage to the McDermott's?

A. Definitely not, sir. Absolutely not.

Q. Do you swear that in no way you or your wife are related to either Mr. or Mrs. McDermot?

A. Definitely not, sir.

Q. And you state that you had not come from their place?

A. I had not, sir.

Q. I see. At that time....

THE COMMISSIONER: Come from their place to look at the house?

MR. MACKINNON: To look at the house.

A. That is right, sir.

Q. And do you state that at that time you did not know McDermott to visit him?

A. Definitely not, sir. I didn't know where McDermott lived.

Q. Well, we will come to that -- come back to that later. Now, going back to

1954, when you left the Branch, you did have an interview with the Commissioner, didn't you?

A. Yes, I did, sir.

Q. Yes. And did he advise you, or was it suggested to you in this interview, that he had received information that if matters continued as they were you, Cronin, would be able to retire within a year?

A. Definitely not. The Commissioner never made that statement, sir.

Q. Did anyone else make that statement to you?

A. No, sir.

Q. Did you know that the Commissioner had such information?

A. No, I wouldn't know, sir.

Q. And that was not mentioned to you?

A. Definitely not.

Q. But you had your suspicions, apparently?

A. No, I hadn't my suspicions.

Q. Well, you told us you went back to see the Commissioner, and asked him why you were transferred?

A. After reading it in the paper.

Q. I see. It was what you read in the paper that aroused your suspicions as to why you had been transferred?

A. That is right, sir.

Q. And apparently very shortly after you were transferred you must have made plans to go into the motel business?

A. I had been -- I had been deciding about going in the motel business before that, sir.

Q. And had you been negotiating with some person before that?

A. No, I hadn't.

Q. Well, you purchased the motel on June the 19th, 1954? That is correct?

A. June 29th, sir.

Q. Well, sorry, June 29th?

A. Right, sir.

Q. 1954?

A. Right.

Q. And would have had to sign an Offer to Purchase some time before that, at least?

A. I would think so.

Q. Yes. And you spent a little time looking around before that?

A. Yes, that is right, sir.

Q. So it would be pretty soon after -- well, maybe I better ask you this question: When did you first meet your partner, Zayeak?

A. I would say 3 or 4 years before that.

Q. And under what circumstances?

A. The whole Branch knows Mr. Kaycek. We used to stay....

THE COMMISSIONER: Never mind. When did you first meet him was the question.

A. Well, that would be about 3 or 4 years, Mr. Commissioner.

MR. HACKENSON: And where did you meet him?

A. At his motel in Niagara Falls.

Q. I see. And do you know whether -- did he have any criminal record in the United States?

A. I would say he hasn't got any, to my knowledge, and I would be very surprised if he has, sir.

Q. And how did you become friendly with him?

A. Because we always stayed at his motel when we were in Niagara Falls, the whole Branch, VonZuben, Anderson....

Q. When did you start negotiating this partnership arrangement with him?

A. Well, I took some time off when the -- when I was called over and transferred to the Unsatisfied Judgment Department, I took some time off, and I certainly contacted him. I couldn't give you the date, sir.

Q. And what led you to him particularly?

A. Because....

Q. To form a partnership with?

A. Well, knowing he had sold his motel, and I knew he wasn't working, and I felt he knew the motel business.

Q. When did he sell his motel?

A. I don't know, sir.

Q. Some 2 years before?

A. No, not some years; possibly a year.

Q. And had you ever met him, at that stage, in company with either McDermott or Feeley?

A. Definitely not, sir, and he wouldn't know McDermott or Feeley.

Q. Well, we will -- we will get that from him. Then did you sign a partnership agreement of some kind?

A. Yes, I did, sir.

Q. Before you bought the house -- or bought the motel?

A. No, sir.

Q. No. How did you make arrangements to pay for this motel, you not having any partnership agreement signed?

A. How did I make arrangements to pay for the motel?

Q. Yes? There was a deposit, a very substantial deposit paid?

A. Yes.

Q. Yes. Who paid that?

A. I don't recall. You mean the down payment? I paid my share, and he....

Q. I am asking about the deposit. We will stick to one thing at a time.

A. I don't know about the deposit, sir.

Q. You may have paid it yourself?

A. No, I don't think so, sir.

Q. Well, how was it paid? Did you go over to Niagara Falls and pick up the money from him, or what?

A. No, I definitely did not touch his money in any way shape or form.

Q. You don't know how he made his payment?

A. No, I don't.

Q. And then, when you got to the closing of the transaction -- when did you say was acting for you on this?

A. Mr. Rose.

Q. And this was -- he was in Toronto?

A. Right, sir, and known to my partner, not to me.

Q. And how was it closed in Kingston?

THE COMMISSIONER: Now, identify Mr. Rose.

MR. MACKINNON: Yes. We have already had him identified. I have forgotten his name.

A. So have I, sir, but it is not this

Mr. Rose.

Q. Allan Rose?

A. Allan Rose is right.

Q. And did he go down to Kingston to close the deal?

A. Yes.

Q. Did you go down with him?

A. I was down there.

Q. You were down there?

A. Yes.

Q. You hadn't left the Branch yet?

A. You mean my resignation hadn't gone into effect?

Q. Hadn't gone into effect?

A. I operated the motel for a month before my resignation went into effect.

Q. You quit the Branch before June 29th?

A. Oh, I was gone from -- I was gone before that time.

Q. I believe you told us your resignation took place effective July 19th?

A. Right, sir, and I had bought the motel.

Q. I know you had bought the motel.

A. And was operating the motel.

Q. Then you were operating the motel before your resignation took effect? You had a month's holidays, or something like that?

A. I assume that is what it was. I have assumed that. I think it was accumulated sick leave, and possibly a portion of an annual leave.

Q. Was Zayenk operating it with you?

A. Yes, she was, sir.

Q. I was just wondering why his name did not appear on the Offer to Purchase?

A. I don't know why. I never noticed the Offer to Purchase, but certainly....

Q. You signed it.

A. Yes, I signed it.

Q. Well, could I have -- I don't think it has been shown to him. Is it filed there? It is in the folder. Maybe I just better show to you the Offer to Purchase, witness.

THE COMMISSIONER: 238.

MR. MACKINNON: Exhibit 238. Yes, it is part of Exhibit 238, and I am taking it out of the folder, witness. It is on the heading of Kidout Real Estate Limited, and it says 'The undersigned, J. Cronin', and everything else is typed in, and there is a second page. There is only one name, John F. Cronin purchaser, and the affidavit of execution has been made.

THE COMMISSIONER: What is the date of the Offer, Mr.....

MR. MACKINNON: The date of the Offer is the 17th of June, 1954, and it is to be completed on or before the 30th of June, 1954, and attached to the Offer is an inventory of items which are in the motel, and on the back of the Offer it says: 'We, the undersigned -- or I/we the undersigned hereby acknowledge receipt of the copy of the agreement', and the purchaser's signature I see is John F. Cronin, and the vendor's signature is on there as O. Michea?

A. Right, sir.

Q. M-i-c-h-e-a. Now, just look at that.

THE COMMISSIONER: How do you spell that?

MR. MACKINNON: M-i-c-h-e-a.

A. Well, really, sir, that is what I see here, and I mean I....

Q. Is that your signature?

A. Yes. Wait till I see, sir.

Q. On the second page, and then on the back?

A. It is, sir.

Q. On the back of the second page?

A. That is right, sir.

Q. And that acknowledges that you received a copy of the Offer, isn't that right, witness?

A. Yes.

Q. Yes?

A. That is right.

Q. So you would be in no doubt as to what this Offer contained, then, if you even got a copy of it?

A. What the Offer contained?

Q. That is right? It appeared that there was only your name on it?

A. Well, I didn't know there was only my name on it. I didn't know there was only my name on it.

Q. You must have read it?

A. When we were negotiating, the thing started out quite high on the motel, and we were negotiating with the vendor, and it is quite possible that -- I know we stayed in Kingston, went down to Kingston and stayed there.

Q. Who is we?

A. Mr. Zayook and myself, and the real estate agent, and we stayed at the Princess Motor Court. Now, it is quite possible that my partner had to go back to Niagara Falls while I saw the people, that we decided we would go as high as 115,000, and it is quite possible that Mrs. Zayook typed that out, and had me sign it and offer it to the vendor, but....

THE COMMISSIONER: Did she type it out?

A. Oh, I think so, sir. I would think so. She certainly brought it to me; but from the very first day that we got possession of the motel, my partner, Mr. Zayeak, definitely was a partner.

Q. In any event, although you got a copy of this Offer, and you admit you signed it, your name alone is shown as purchaser, you can only say, 'Well, maybe you had to sign because Mr. Zayeak, who was unemployed at the time, wasn't there'?

A. No, I didn't say that he was unemployed.

Q. You said he sold his motel?

A. Yes, that is right.

Q. And would be looking for another one?

A. No. I had quite a job taking him, as a matter of fact, out of retirement and coming into the motel.

Q. What was he retired from?

A. He had sold his motel, income from the motel, and his home in Niagara Falls.

Q. He was unemployed then?

A. Yes.

Q. All right. Just listen to my questions, and answer them. Did he have to back to collect his coupons, did he?

A. No, no.

Q. Or income? Why wouldn't he be there to sign this Offer?

A. Because that went on two or three days.

Q. Pardon?

A. It went on two or three days, the Offer. We negotiated back and forth two or three days.

Q. Why couldn't he stay there, as well as yourself, that is what I am asking?

A. Well, I mean that the....

Q. You had a job at that time?

A. That is right, sir.

Q. Why would you be able to be away from the job?

A. Well, I have told you, I was on sick leave, I think, or annual leave. Now, I am not sure which, but if that is my diary it will show.

Q. No, but this is prior to the closing date? This is prior to the date on the Offer to Purchase we are talking about, at least before June 17th, 1956?

A. Well, I am sure....

Q. 1956?

A. ....sir, that I stayed in Kingston several days, and I am sure that I was not on duty.

Q. Are you sure you weren't the one who was putting all the money into this?

A. I am definitely sure that I am not the one, and I would assume now, because there has been some talk about certified cheques, 2 $12,000.00 cheques, now, as I -- as I recall, and my accountant was here yesterday, and I haven't discussed this with him, and I am not going to discuss it with him, I assume he put a 12,500 certified cheque in, and he borrowed 12,500 from his wife, and you will find that is where the two certified cheques are from.

Q. I am asking you now -- the first thing I asked you about was the $20,000.00 deposit, and you, as the sole purchaser, would be required to make that up when you handed this Offer in and executed it?

A. I don't recall that, sir.

THE COMMISSIONER: You don't recall?

A. No, I definitely do not recall.

MR. MACKINNON: And you don't know how it was paid?

A. No. The $20,000.00?

Q. That is right?

A. I don't, sir.

Q. It shows the cash is struck out, and it says 'payable by cheque'?

A. Well, certainly....

Q. Now, what bank account would that come from?

A. I have no bank account, or no

bank account at that time over $2,000.00, if I had $2,000.00.

Q. Well, just look at it. It says payable cash or cheque, and the cash is struck out.

A. Mr. MacKinnon, I said under oath here the other day, and I will say it again, that I issued no cheque in connection with this motel.

Q. That may be quite right. Perhaps you haven't that in the bank accounts, but I just wanted to see whether that is a correct statement. You paid it all in cash, then?

A. My part of the payment, $25,000.00, I paid in cash.

Q. Just forget the $20,000.00 -- $25,000.00, until I ask you. Listen to my question. I am talking about the deposit of 20,000, which is 2 weeks before the 25,000.

A. I don't recall any portion that I paid.

Q. You think you didn't even pay part of the deposit?

A. No, I am not saying that. I don't recall it.

Q. And this cheque, whatever it would be, would be made payable to the real estate agent, would it?

A. I don't know anything about it.

Q. Well, Mrs. Zayeak, did she not

live in Niagara Falls too?

A. Yes.

Q. And was she an agent for Ridout Real Estate?

A. I shouldn't say that she lived in Niagara Falls; she worked out of the Toronto office.

Q. Did she commute to Niagara Falls?

A. I think on the weekends, and stayed in Toronto the rest of the time. Now, I won't say. I don't know.

Q. And then she moved down with Mr. Zayesk, did she to the motel?

A. No, sir. She is in British Columbia.

Q. She is in British Columbia?

A. And has been for a good number of years.

Q. Pardon?

A. And has been for a good number of years.

Q. She never moved down to the motel?

A. Never, sir.

Q. And it was after you purchased the motel that you signed this partnership agreement?

A. Right, sir.

Q. Is that correct?

A. Right, sir.

THE COMMISSIONER: Now....

MR. MACKINNON: It is in already, sir, as part of this whole exhibit.

THE COMMISSIONER: Well, I know, but....

MR. MACKINNON: Would you like it as a....

THE COMMISSIONER: I think we better mark it.

MR. MACKINNON: It comes out of Exhibit 238.

THE COMMISSIONER: Yes. Well, make it 238-A.

MR. MACKINNON: 238-A. All right.

EXHIBIT NO. 238-A: Offer to Purchase dated June 17, 1954, between J. Cronin and O. Hishes (formerly part of Exhibit 238.)

MR. MACKINNON: I take it from the years 1944 to 1954, or indeed from the -- from the dates that -- the date that you first began working for the Ontario Provincial Police, January the 1st, 1942, you paid Income Tax?

A. Yes, I did, sir.

Q. That would be deducted, would it, at the source, by the....

A. Yes, right, sir.

Q. Yes. And you paid Income Tax throughout?

A. I did, sir.

Q. And did you at any time make declarations on your Income Tax as to any other income you received?

A. Yes, I did, sir.

Q. You did?

A. Yes, definitely.

Q. And what was that?

A. My wife's earnings.

Q. Did she file a separate Income Tax return?

A. That I can't say, sir. I have forgotten; but certainly I would take my Income Tax, with the deductions that I would get, and take it down to the Department, and square it up with them.

Q. Have you copies of your Income Tax returns?

A. No, I haven't. I haven't.

Q. You haven't got them?

A. No, I don't, sir.

Q. This is what you say you would do?

A. What is that, sir?

Q. That you would take it down to the....

A. I'd take....

Q. ....Income Tax Department?

A. Yes, that is right, sir.

Q. But you don't know whether your wife made a separate Income Tax return or not?

A. I would think not. I would take her form down with me.

Q. Well, she was doing a clerk's work, wasn't she?

A. Which is that?

Q. Clerking in the store, you said?

A. In some of them, yes.

Q. And I think you did say this is steady employment?

A. Yes, it would be considered steady employment, although she didn't work continuous that whole ten years.

Q. Who did she have looking after your child?

A. He stayed out at my parents, my father and mother, for quite a few years.

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Q. All year round?

A. No, not all the year round but the majority of the time.

Q. Where did he go to school?

A. He started at Pape Avenue.

Q. When he was going to school your wife was working?

A. Yes.

Q. Did she have anybody at home to look after him?

A. No.

Q. Before he went to school, you said he spent his time with his grandparents?

A. Yes

Q. In the summer months?

A. Only the summer months and we would go and see him on weekends.

THE COMMISSIONER: You have only one child?

A. Yes.

MR. McKINNON: Q. I suppose you are aware your figures just do not jibe when they are added up?

A. No, I don't.

Q. Maybe we can explore that with Exhibit 18. This is your gross salary before income tax and it would total something like $33,000 for the full period?

A. That could be.

THE COMMISSIONER: Q. That is gross.

MR. WILSON: That is for the full period from 1942. I have added another $4,000 on, sir. It is $29,000 and to this exhibit I have added another $2,000.

THE COMMISSIONER: How much is it?

MR. WILSON: $33,409 approximately. That is gross, sir, and I want to emphasize that is before taxes and deductions for hospitalization or unemployment insurance or any bonds you were buying. Is that right?

THE WITNESS: Yes.

MR. WILSON: Did you pay for bonds?

A. Yes.

Q. These deductions would come off your salary, I gather?

A. Yes.

Q. You told us something about annuities?

A. Yes.

Q. These deductions would also come off your salary?

A. No.

Q. They came out of your income?

A. No.

Q. They came out of your income, didn't they? You bought them separately, they didn't come out of your office?

THE CHAIRMAN: I. Does in gross.

MR. WILSON: Does it for the full.

period from 1945. I have added another

$4,000 on. 1947. It is $40,000 and to this

amount I have added another $5,000.

THE CHAIRMAN: Has much is the

MR. WILSON: $13,000 approximately.

That is gross, sir, and I need to emphasize

that is before taxes and deductions for

depreciation or amortization investment or

for other pre-tax items matter. In that right

the chairman Yes.

MR. WILSON: Did you pay for

beauty?

A. Yes.

Q. Those contributions would have

all been salary, I gather?

A. Yes.

Q. The said is something above

commission?

A. Yes.

Q. Those deductions would also

come out your salary?

A. Yes.

Q. That just did of your income?

A. Yes.

Q. That came out of your income,

didn't they? Yes brought them separately.

They didn't come out of your salary.

A. No, it was a Federal annuity.

Q. You bought it yourself?

A. Yes, I went down to the post office and bought it.

Q. I am sorry, I think I gave you a little too much for your first year. Your net income for 1942 was $1,357.72?

THE COMMISSIONER: Is that net?

A. Yes.

THE COMMISSIONER: You are not adding that to the gross?

MR. WILSON: The gross was $1,387.84.

THE WITNESS: That is not right.

MR. MacKINNON: Q. How do you know?

A. That might be my basic salary but we got a - - -

THE COMMISSIONER: Do you mean a bonus?

A. No, a cost of living allowance.

MR. MacKINNON: Q. It is a bonus and there was your superannuation and there is nothing under these headings atall?

A. Yes, there certainly was, I think it was $50. That is the allowance for a special constable.

THE COMMISSIONER: I would like to know what his gross earnings were for the whole twelve years.

MR. MacKINNON: You will have to add these two years, sir.

there

THE COMMISSIONER: You do the adding.

MR. WILSON: Sir, I will have those figures for you in a minute.

It is $1507.84 for the year 1942, and it is $1,584.71 and this is of course for the year 1943.

THE COMMISSIONER: Added to Exhibit No. 218 can you give me the total?

MR. MacKINNON: It is roughly $33,459.15, gross.

THE COMMISSIONER: That is for the period 1942 to 1954?

MR. MacKINNON: That is right, sir. I am not guaranteeing these figures.

THE COMMISSIONER: Well, I am sure somebody will check your arithmetic.

MR. MacKINNON: Yes, sir, I am sorry, I am $1,000 out. It is $32,459.

THE COMMISSIONER: Yes?

MR. MacKINNON: Q. You told us, Witness, that during this period of time you were hiding your own money, your own income away in bottles underneath your father's garage and living on your wife's income?

A. Pretty well.

THE COMMISSIONER: Pretty well?

A. Yes.

Q. What does that mean?

A. Actually I had a job for four

years with the Canada Steamship lines in addition to my job with the police.

Q. That was against police regulations?

A. Not during the war. At that time I was allowed to work twenty-nine hours a week.

Q. When was that?

A. In 1942, 1943, 1944 and 1945 and I paid income tax in full on a special form at the Canada Steamship Lines.

THE COMMISSIONER: What were you doing?

A. I was unloading ships and loading them.

Q. Have you any idea how much you earned?

A. No, sir.

MR. MacKINNON:

Q. You used that money to help you along together with your wife's income?

A. That is right. May I say that at the house on Wellesley Street, I paid $40. a month, for heat, accommodation and everything and above that we had one room rented to a girl. I can't think other name now, but I remember that.

Q. What year would that be?

A. I think it was 1945 and that would be in 1942 and 1943 and up until most of 1945.

MR. MacKINNON: Q. Did you go on holidays?

A. Yes.

Q. Where did you go?

A. To Parry Sound.

Q What did you have there - did you rent a cottage?

A. Yes.

Q. Did you ever meet Clayton Kehoe?

A. No, I wouldn't know him today.

Q. How long did you go for?

A. I don't know what my wife's holidays were, I don't know what her ~~hadit~~ holidays were - - maybe two or three weeks.

Q. You took your son with you?

A. Yes.

Q. Did you ever go out of the Province of Ontario on these occasions during these years up until you left the Force?

A Yes.

Q. Where would you go?

A. ~~Xx~~ Through the States to Kenora and I would cross over to Sault St.Marie . I understand you had asked me if I had left the Province.

Q. Yes.

A. I crossed over from Detroit.

Q. Would this be in addition to your vacations in Parry Sound?

A. No, if I went there I visited relatives.

Q. Who?

A. My wife's people.

Q. Did you ever go out of the country; did you ever spend your vacation in any other province?

A. No, sir.

Q. Or in the United States?

A. What do you mean? Do you mean in the winter time?

Q. Any time?

A. On a job.

Q While you were with the Ontario Provincial Police?

A. No, I didn't.

Q. You told us you had three addresses and I know where two of them are. Where is the third one?

A. That is the cottage in Parry Sound.

Q. Do you own any property in the United States?

A. No, sir.

Q. Do you have any interest in any property there?

A. No, sir.

Q. Do you have any property other than what you have told us about ?

A. No, and I haven't anything in the world. I haven't anything in finances or bonds or anything else except what I have told you.

Q. Now, you told us you had saved somewhere around $35,000 while you were with the Ontario Provincial Police?

A. Yes, $30,000 to $35,000.

Q. I have shown your gross income for the years and it amounted to $32,400-odd?

A. Yes.

Q. I take it you own a car?

A. Part of the time.

Q. And you own furniture?

A. Yes.

Q And you had houses you were buying and selling?

A. That is right, and I also made a profit on them.

Q. And with all these expenditures I take it you were clothing your wife and child?

A. Yes, along with her salary.

Q. You were living on her salary of $35.00 a week?

A. Yes.

Q. Did you pay your parents anything?

A. Yes, there was no set rate but I certainly would give them something.

Q. What would you give them?

A. I would buy them something at Christmas time and maybe give them something when I would go home.

Q. Money?

A. No, but it is the same thing, food or something.

Q. I see.

THE WITNESS: May I say, Mr. Roach, that during that time, not that I made anything out of it, but I was on an expense account. My wife worked and she paid often, quite a bit of the time and I was on an expense account and it cost me very little to live.

Q. Your expense account could not feed your wife and child?

A. No.

Q. Nor pay your rent?

A. No, I am not suggesting it was sufficient.

Q. When you mentioned Ralph Clark, you do know who he is?

A. Yes.

Q. Did you mention to him you would pay, you would be prepared to pay him a tip-off as remuneration?

A. Definitely not.

Q. You are sure of that?

A. Yes, very sure.

Q. You never discussed the matter of a tip-off with him in any shape or form, either for or against?

A. No.

Q. Did you meet with him?

A. Do you mean did I have any discussions?

Q. Yes.

A. I have arrested him.

Q. Did you meet him at any other time other than your arrests?

A. No, sir.

THE COMMISSIONER: Are you sure of that?

A. I may have run into him somewhere but I have never had any discussions with him.

MR. MacKINNON: If you ran into him you didn't stop and chat with him?

A. I don't think so, I don't remember and I don't think I would speak to him either.

Q. I am now advised the total has been made up for your income for the years in question and the net return was $28.330. You must have been quite a saving person to save $30,000 to $35,000 in those years working for the Provincial Police at your income?

A. My wife was working and

I worked for the Canada Steamship Lines and I also worked for the cemetary.

THE COMMISSIONER: Q. What were youdoing, cutting grass?

A. Cutting grass and digging graves and doing anything.

MR. MacKINNON: Q. When was that?

A. I am not sure when it was. I also worked forthe Canada Steamship Lines.

Q. You were a corporal then?

A. I couldn't say that, sir.

Q. This was after the war was over?

A. Yes.

Q. This would be against police regulations?

A. It could be, yes.

Q. You would know it, wouldn't you?

A. I certainly know they frowned on it - they didn't approve of it.

Q. That is something like your definition between "refuse" and "decline".

A. I am not saying it wasn't against regulations. I assumed it was against regulations.

Q. That is an assumption you made?

A. Yes.

Q. You knew that at the time?

A. Yes, well - - -

THE COMMISSIONER: No. Let us be frank.

A. I never had read it but I was given to understand it was against regulations but not during the war.

MR. MacKINNON: Q. We are not talking about the war - - we have left the war behind. We are now in the graveyard.

A. Yes.

Q. Now, about your cars. You have told us about buying a motor vehicle in 1950?

A. Yes.

Q. When did you buy your next car?

A. 1952.

Q. What kind of car?

A. A Pontiac.

Q. New?

A. Yes.

Q. Did you pay for that with your wife's salary?

A. I don't recall what it was paid out of.

Q. You paid cash?

A. Yes, along with the trade-in.

Q. You paid cash for your 1950 car?

A. Yes.

Q. Where did this money come from? You were saving all your income, you were building up $35,000 in your cache, and where was the money coming from for this new motor vehicle in 1950, and again in 1952?

A. It certainly was not from my earnings.

Q. No, because you put these in the ground. You have to build them up some way else and we will take $30,000 as the lower figure.

A. Yes.

Q. You say you put $30,000 in the ground and where did you get the money to buy a new car?

A. I was working for four years and my wife was working.

Q. You have your living and your wife has to be fed?

A. The car was part of my living.

Q. Out of the $35. a week of your wife's pay there was the annuity, your wife's clothing , your holidays, your kid's clothing and food and buying cars. Is that what you want us to believe?

A. I have a clothing allowance.

Q. What is it?

A. I think $75.

Q. $75.?

A. It is now, I know it is now, but I don't know what it was then, it started at $75. and it went up.

Q. I was just told this morning by a Provincial Police Constable that it is $75. now.

A. Yes.

Q. You wouldn't get very much for $75. ?

A. I am very careful, I do not have expensive clothes.

THE COMMISSIONER: What was your wife's salary?

A. I assume it was $35. a week, - I assumed it was, I have no definite figure.

Q. What makes you think it was?

A. I think that was a fair wage.

Q. You are only guessing?

A. It is what I estimate, sir.

MR. MacKINNON: Q. And she quit work in 1953?

A. Yes.

Q. And certainly she wasn't working when the child was born?

A. No, sir.

Q. You paid the hospital and doctor's expenses?

A. Yes.

Q. Was that paid out of her salary or your earnings?

A. Out of her salary.

THE COMMISSIONER: Q. Out of what?

A Out of both our salaries.

MR. MacKINNON: Q. Let us forget your salary; you put that into the ground, didn't you?

A. It definitely all didn't go into the ground.

MR. MacKINNON: Q. It must have for you to have $30,000. You must have put it there or it grew there itself?

A. It didn't have to be my money exactly.

THE COMMISSIONER: Why?

A. My wife earned money too.

MR. MacKINNON: Q. You were living on it. Let us keep your story straight.

THE COMMISSIONER: Q. Do you say none of her money went into the ground?

A. No.

MR. MacKINNON: Q. Now, pay attention to what I am saying because this is important. Did any of her money go into the ground out in the country?

A. Her money didn't add to what I put in the ground.

MR. WILSON: None of her money went into these glass jars?

A. No.

THE COMMISSIONER: It didn't? Is that what I understand you to say?

A. It certainly didn't add to what I put in the ground.

Q. It didn't form part of what you put in the ground?

A. That is right, sir.

MR. MacKINNON: Q. What did you pay for your car in 1950?

A. I think somewhere around $2,000 or 1800.

Q. And the next one?

A. It was pretty close to $3,000.

Q. And you bought it in 1950 for about $2,000 and traded it in in 1952?

A. Yes, sir.

Q. I take it your trade-in allowance would be about $1200?

A. I don't remember, sir, but I know I would have got more for it if I sold it privately.

Q. When you bought the car in 1950 did you pay $2,000 cash?

A. Yes.

Q. Not by cheque?

A. Yes.

Q. I am asking you, not by cheque?

A. No, sir. The only way

BB/4

I could be sure is I didn't have that kind of money in the bank, and therefore it would have to be cash.

THE COMMISSIONER: Q. Where would you keep that cash?

A. I would accumulate that at the house.

Q. Over what period of time?

A. I don't recall any specific time. I certainly wouldn't borrow any money when I had $2,000 to $3,000.

Q. How often did you make trips to the Township of Albion; how often did you go out and dig up the ground and put more money in the jars?

A. I don't recall.

Q. How often would it be, would it be two or three times a week or once a year?

A. Yes.

Q. How many times?

A. Maybe once a year.

MR. MacKINNON: Q. This accumulation started in 1939, is that right?

A. I don't recall that but that is when I went on my own.

Q. Is that when you started planting money in the ground?

A. I wouldn't say I first buried money in the ground.

Q. When did you?

A. I don't recall, but it may have been in 1929.

Q. Would it be in 1930 and 1931?

A. Yes it would.

Q. Then, these would be old fashioned Canadian dollar bills?

A. Yes.

Q. You dug them up for the first time in 1954?

A. Yes.

Q. When?

A. Several times.

Q. Would you go to your first plantings or your last plantings when you wanted money?

A. No, I dug up the money.

Q. This is a question that is important, and I would like you to listen to it. Would you come back to the money you put in first or the money you put in more recently? Apparently you dipped in now and again?

A. I don't recall ever taking money out of the jars.

Q. I thought when I asked you

when you started to take money out of the jars, when you started to take money from there, you said over a period of time. Is that not so?

A. You asked me when I wanted to plan something, did I take it out of the last jar or the first jar. I didn't go there.

Q. You didn't go to that place to take money until 1954?

A. That is right.

Q. Well, when did you go?

A. Certainly in maybe 1936 or 1937 I traded bills and I traded them after 1935. This is not the first time I have mentioned this.

THE COMMISSIONER: Just do not be so interested in the course of the examination.

THE WITNESS: I cannot produce them today, but I can produce them.

MR. MacKINNON: Q. You traded some of the old ones in?

A. I traded all the old ones.

Q. When?

A. Right up until 1940.

THE COMMISSIONER: Let us get this quite clear for my edification. I cannot quite follow this.

MR. MacKINNON: Q. You started to bury money when?

A. In 1930 and 1931.

Q. When did you first take any money out of the jars?

A. I would think in 1936 or 1937 or it may have been 1938.

Q. How much did you take out?

A. I don't recall.

Q. Roughly how much?

A. I wouldn't know.

Q. Have you no idea?

A. No, I wouldn't know, sir.

Q. What did you do with it?

A. Some of the money got wet.

Q I thought it was in jars?

A. It was in jars, in sealers.

Q. Did the jars leak?

A. Yes, when I dug them up some of the jars were full of water along with the money.

Q. How many jars did you dig up?

A. I wouldn't know.

Q. Was it two or three or maybe a dozen?

A. There were a dozen.

Q How big were they?

A. Quart sealing jars.

Q. Were they in a box?

A. No, they were in a hole in the ground.

Q. Without any protection around them?

A. No.

Q. You buried them with earth over the top?

A. Yes.

Q. That is, you put dirt on top of the lid?

A. Yes.

MR. MacKINNON: Q. Now, we come back to the years 1936, 1937 and 1938. You say you took money out of the jars. How much money did you take?

A. I don't recall.

Q. You don't?

A. No.

Q. Would it be $100.

A. No, I took out quite a bit of money.

Q. $2,000?

A. I don't recall sir. I would get other money and put it back in.

Q. Did you take all the money out and take it to the bank and get new money for it and take it back to the jars again?

A. No.

Q. What did you do?

A. I took it periodically and thought I would exchange it all at the same time.

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Q. [illegible] and [illegible]

around floor?

A. No.

Q. Is Burdman there with every

[illegible]

A. Yes.

Q. That is, you put [illegible] on the

of the [illegible]?

A. Yes.

Q. Mr. [illegible] Q. Now, you [illegible]

home to the [illegible] [illegible] [illegible]. The

day you took money out of the [illegible]. How

much money did you take?

A. I don't recall.

Q. How [illegible]

A. No.

Q. Would it be [illegible]

A. No, I have not [illegible] a [illegible]

of [illegible].

Q. [illegible]

A. I don't recall [illegible].

I would [illegible] [illegible] [illegible] it [illegible]

Q. Did you take all the money

out and take it to the bank and put the money

for it and take it back to the [illegible] [illegible]?

A. No.

Q. Have [illegible] [illegible]

A. I took it particularly [illegible]

[illegible] I [illegible] [illegible] it all of the [illegible] [illegible]

MR. MacKINNON: Q. When did you last do this exchanging bit?

A. Umm, maybe in forty something.

Q. The early 40's?

A. In forty something, the 1940 something.

Q. The early 40's?

A. I don't recall, sir. But whenever the money changed.

THE COMMISSIONER: Whenever the money changed?

A. Yes, whenever the issue -- when there was a changed in the size of the bills, a change in the issue.

MR. MacKINNON: Why did you do this for?

A. I didn't want the old ---

Q. What difference did it make?

A. I just felt I didn't want the old money. But we where asked to turn it in.

Q. When you brought up your money out of the ground in 1954, did you change it then?

A. No, I did not, sir.

Q. You didn't. Do you know where there was a list made of these old bills, bank notes by the bank?

A. No, there wouldn't be.

Q. You don't know, I suppose. You gave them in cash to the lawyer?

A. For the motel I gave in cash. That wasn't old bills, sir.

Q. Well, they were back to 1940, I understand?

A. No, I said forty something. I don't know what it was.

Q. There had been a new Queen at least since the last time you got those bills changed, hadn't there?

A. Since the last time?

Q. That is right.

A. The new, the new issue of bills, whenever it was. It seems five or six years ago; maybe more than that. I changed that money.

Q. Now, come, witness, you are changing your story again. You said in 1940, in the 40's. We have you under oath.

A. Yes.

Q. You say that is the last time you changed. Now you are trying to say it was some time in the 50's, now.

A. Yes, it was in 1950.

Q. At that time?

A. Yes.

Q. Where did you change them?

A. At the bank.

Q. What bank?

A. Different banks.

Q. What different banks?

A. I would dig up two or three thousand at a time and change it.

Q. Just give me one bank. Just give me one bank, one place, one time.

A. I can't give you a time. One bank would certainly be the corner of Broadview and Gerrard.

Q. Do you know the name of the bank?

A. No, it is on the northeast corner.

THE COMMISSIONER: Is it still there?

A. Yes.

MR. MACKINNON: Q. Why didn't you take it to the bank where your wife was banking?

A. Why? I would say I did trade money in there. I would say I did trade money in there.

Q. In any event ---

THE COMMISSIONER: I want to make a note. You say the last time you changed the money was in 1950 some time?

A. It was after the new change in the issue of money. The change in the size and issue of money.

Q. Right after the last issue

came out?

A. Yes, sir. I'm not sure of that date.

MR. MacKINNON: Q. You told us you put paraffin on these bottles?

A. Yes.

Q. Where did you do this?

A. In the basement.

Q. Whose basement

A. At my own basement.

THE COMMISSIONER: In the city here?

A. Yes.

MR. MacKINNON: Q. I thought you were living in an apartment here?

A. Wherever I was living that is where I was doing it.

Q. You were doing it at home in the basement. There is a basement in this farm house?

A. Yes, there is a basement in the farm house.

Q. That is where you said you did it? Let's stick to it.

THE COMMISSIONER: Was it at the farm house you did it?

A. Yes.

MR. MacKINNON: Q. Just before your were married and before you joined the C.F.P.?

A. Yes.

Q. And you told us you lived at home?

A. Yes.

Q. Where did you do that?

A. In the kitchen.

Q. Why did you say the basement? You said there is a basement?

A. There is a basement.

Q. But not for this type of work?

A. No.

Q. Why did you do it in the kitchen? Was your motherthere?

A. I would pick a time when she wasn't there.

THE COMMISSIONER: Why wouldn't you want your mother to know?

A. I just didn't want her to know I had the money.

Q. Maybe there is more truth than fiction in that. Why didn't you want your mother to know about this matter?

A. I just didn't want her to know.

Q. Didn't you have any confidence in her?

A. Yes.

MR. MacKINNON: Q. How would you make the paraffin stick?

A. You just have to place the cold jar in the paraffin when it is hot.

Q. Doesn't it fill the jar?

A. No, you put the top on.

THE COMMISSIONER: You never did any preserving.

MR. MacKINNON: Not this type of preserving. But I have seen preserving. It seems the hot preserves make the paraffin come down to it.

THE WITNESS: This wasn't hot preserves.

MR. WILSON: Hot money.

THE COMMISSIONER: You mean hot money?

A. No.

MR. MacKINNON: There may be more truth than fiction to that, too.

Q. What would make it set, was it on top of these hundred dollar bills or whatever you had rolled up in the jar?

A. Was just on top.

Q. The paraffin?

A. No, the lid would be on. The lid would be on the jar, and if that is the pot of paraffin, I would dip the jar in.

Q. You weren't putting the paraffin right across the top and then putting the lid on. You put the lid on and tried to seal the edges?

A. Dip it in, sir.

THE COMMISSIONER: Seal the crevices?

A. Right, sir.

MR. MacKINNON: Q. And when you exchanged this money from these jars were they hundred dollar bills?

A. If I took in hundred dollar bills I would ask for 50's and 20's; if I traded in 50's or 20's and 10's, I would ask for hundreds.

Q. Why would you do that?

A. They take up less room.

Q. You traded in your car, what kind of car did you get?

A. A Pontiac.

Q. What type, a sedan?

A. Yes, a sedan.

Q. And then you traded that in?

A. No, I sold it, sir.

Q. You said something about a trade-in?

A. No, I sold it to Walter Finch on Pape Avenue.

Q. For how much?

A. I don't know. It was more than Hogan was going to give me. I bought the car from Hogan Motors.

Q. Walter Finch?

A. Yes.

Q. He wasn't a relative of yours?

A. No.

Q. Did you sell it to him before you bought the new car?

A. Yes, I --- As a matter of fact, he asked me for the car, to save the car for him.

Q. When did you buy the new car?

A. Which car are you talking about?

Q. The '52 car?

A. I don't recall. Oh, I would think it would be in the fall.

Q. Of '52?

A. Yes.

THE COMMISSIONER: Where?

A. Hogan Motors.

MR. MacKINNON: Q. This is the second car you bought at Hogan Motors?

A. Yes.

Q. What kind of a car was this?

A. Pontiac sedan.

Q. And you paid cash for this?

A. Yes.

Q. Whatever you got from your sale and you put in eighteen hundred or fifteen hundred for two thousand?

A. Whatever it was.

Q. You put the cash to it?

A. Yes.

Q. Then, when did you buy

your next car?

A. '56, sir.

Q. What kind of car did you buy then?

A. A Hodge.

Q. A Hodge?

A. Yes, right, sir.

Q. And what time in '56 did you buy this car?

A. I couldn't say, sir.

Q. Pardon?

A. I couldn't say, sir. Rosborough Motors.

Q. Where?

A. It was in the east end of the city. It is in the east end of the city.

Q. And how much did you pay for this car?

A. I would think thirty-two hundred, something like that.

Q. Did you trade your car in?

A. Yes.

Q. Is this thirty-two plus your old car?

A. Yes.

Q. And you paid cash for that?

A. Yes, it came --- You mean ---

Q. Well, you paid the difference between thirty-two hundred in cash?

A. No, the difference up to

thirty-two.

Q. Oh, you say the total price of the new car was thirty-two hundred?

A. Yes, thirty-two or thirty-three hundred.

Q. Do you know how much you were allowed for your old car?

A. No, I don't, sir. No, I don't, sir.

Q. At this stage, as I remember, remember your motel records for 1954 and '55, your drawing weren't very heavy. I think it was something like $1,400.

A. Yes, that is right.

Q. I am sorry, sixteen hundred. In fact, for '55, there was sixteen-ten, and '56, it was sixteen-seventy. So, once again I suggest to you, witness, to pay for this new car, the cash you did, you certainly would have had to pay for it out of your savings you made prior to going into the motel business?

THE COMMISSIONER: What were the motel figures?

MR. MacKINNON: For '55 he drew $1,670, and in '56, $1,670.

THE WITNESS: I am not straight in what you asked me, sir.

MR. MacKINNON: Q. I am suggesting

to you that the money your used to pay for this new car in 1956 must have come from whatever savings you had made prior to leaving the police force because you certainly weren't making any savings on $1,600, for the two years since you had been out of the police force?

A. No, that wouldn't have go come from that, sir.

Q. Where would it come from?

A. I had seven or eight thousand dollars in the sale of those two homes.

Q. You had made it by them?

A. Yes.

Q. Did you say you bought your car in the fall of '56?

A. I don't recall it, sir.

Q. If you didn't you wouldn't have had the money from the sale of the ones.

A. Yes, I sold three homes by 1956.

Q. Let's go back to that.

THE COMMISSIONER: When did your wife discontinue working?

A. 1953, sir.

MR. MacKINNON: Q. You bought Kenneth D. ive what, in July of '56?

A. I believe it was, sir.

Q. And you hadn't sold your home in Agincourt at that time; isn't that correct?

A. Not until, not until I took over the house.

Q. You hadn't sold, by the time the deal was closed on Kennneth Drive you hadn't sold your house in Agincourt; isn't that correct?

A. That is correct.

Q. So, you didn't have any money from that house?

A. No.

Q. To assist you in buying the house on Kenneth Drive?

A. That is right, sir.

Q. That is right. You had some difficulty in selling the Agincourt house?

A. Yes, sir.

Q. Which house was that, what was the address?

A. 8 Reidmount Avenue.

Q. Reidmount Avenue?

A. Yes, sir.

Q. Did you tell us about that one before? Is that the one you talked about in Scarborough?

A. It is in Scarborough.

Q. Is the house in Agincourt itself?

A. It certainly is now. I don't know whether it was then or not.

Q. Now, you apparently must have

been fairly friendly with McDermott by at least as early as 1957?

A. I don't know what you call fairly friendly, but I was acquainted with him.

Q. He was taking you out on drives?

A. '57?

Q. You told that much.

A. I would think that in '57 ---

Q. How did you happen to get so chummy with him, was it because hewas a neighbor?

A. No. Actually, because I had known him for quite a long time.

Q. You knew what type of bussiness he was in?

A. That is right, sir.

Q. How did you happen to get so friendly with im?

A. Well, I mean, he isn't what you would call --- I mean, I have never gone fishing with him or golfing with him. I have talked to him quite a bit. I enjoy talking.

Q. You and your wife went to his house; that is right?

A. For dinner once, and I had them over to my house for dinner.

Q. Just once, you say?

A. Just once.

THE COMMISSIONER: When did you get

to the point where you were really friendly with him?

A. Well, I would say that in 1957, possibly, driving past his place I stopped and talked to him when he was working on the lawn. And then I knew him quite well before that, and from talking to him. I was interested in things he was talking about, gardening and flowers.

MR. MacKINNON: Q. You were just talking about gardening and flowers?

A. Not necessarily.

Q. We will come to your conversations with your friend McDermott in a few minutes, if I may. Just going back to 1957, apparently you were friendly enough with him to go out in his car and he would show you some property he was interested in?

A. Yes.

Q. How did that come about, did he come over and say: "Come on John, let's go for a ride."?

A. I don't recall the circumstances. I imagine I was talking to him and he said: "Let's go for a drive and I will show you what I bought."

Q. And this is when he showed you the building

A. That is right.

Q. And you went into the building?

A. That is right.

Q. And that is when you got interested in Dewsbury's ointment?

A. Yes.

Q. And did you mull this around in your mind for a couple of years?

A. Yes.

Q. I take it you would meet Feeley fairly frequently at McDermott's place?

A. Not fairly frequently, sir. I can tell you I am not very well acquainted with Feeley even yet. I didn't see Feeley very, very often.

Q. You see him when he goes out to McDermott's home?

A. No, I do not see him when he goes out to McDermott's home.

Q. You had seen him a number of times in '58 and '59 at McDermott's home?

A. I have seen him.

Q. That is your meeting place?

A. No.

Q. That is where you get together?

A. No.

Q. Has Feeley ever been in your home?

A. Has who?

Q. Has Feeley ever been in your home?

A. Yes, he has.

Q. Did he come for dinner?

A. Yes, one time I had him for dinner.

Q. That is fairly friendly?

A. Yes.

Q. How do you explain this friendship for Feeley and McDermott?

A. Is there anything wrong with me having Feeley in my home for dinner?

Q. I was just wondering how you got so chummy?

A. I didn't see anything wrong.

Q. You didn't?

A. No.

Q. Although you knew what the suggestions were about you when you left this Force?

A. The suggestions?

Q. Yes. That these men had been paying you off.

A. No, I did not.

Q. You said you went to the Commissioner because it was in the paper.

Q. There was no word in the paper.

Q. Who else would it be? You just finished telling Mr. Wilson you discussed the implications in the E Branch when you left that Force, it was M Feeley and McDermott?

A. There was no mention of Feeley

and McDermott. There was mention about me being too slow in my job or duties.

Q. Let's not beat around the bush. You knew that Feeley and McDermott were connected with the Veterans' Club?

A. I knew they were connected with a club in Cockeville.

Q. And you knew what business they were in. You just finished telling me that a minute ago.

A. Yes.

Q. And you were investigating the Vets' Club to see if tip-offs had been made when you investigated Shrubb in '55?

A. Yes.

Q. That is right. You said the reason you had done it was because you had left under a cloud, and obviously it was in connection with the Vets: Club. You were interested in seeing if someone was being paid off?

A. I didn't say in their club.

THE COMMISSIONER: Xx You said you felt he ---

A. That is right ---

MR. MacKINNON: Q. It must have been, it must have had something to do with the Vets' Club?

A. No. Why I was transferred from the Gambling Squad?

Q. That is why you were investigating Shrubb and the Veterans' Club?

A. What was why I was investigating Shrubb and the Vets' Club?

Q. You told us a strange story, I will typify it that way. You investigated Shrubb in '55, out in his car and pretended to be acting as agent of the Vet's Club, and you had a piece of it and wanted to know whether he would be prepared to take a pay off; is that correct?

A. I would leave that inference not in that many words, but that is a fair inference.

Q. That is what you were trying to do. Your story is you were doing it because you were hurt?

A. Yes.

Q. You were transferred?

A. Yes, that is right.

Q. The implicationg being you were transferred because you had an illegal connection with the gamblers?

A. That is your assumption. That is not what I said.

Q. Why would you be hurt, and why would you be investigating Shrubb about the Vets' Club?

A. It was still operating and according to the press it was going to be closed the next day after we were shifted. I

would have liked to remain in the ---

Q. With the Vets' Club?

A. No, with the Gambling Squad. That is what I liked. I liked doing that.

Q. And you said you never had any suspicion anyone was suggesting you had any connection with Feeley and McDermott, came as a complete shock to you?

A. Now, you mean?

Q. Yes?

A. I didn't say it comes as a shock to me now.

Q. When did you realize?

A. When the trial started.

Q. Before that you never had an inkling?

A. No.

Q. No one every suggested anything like that to you?

A. I could have suggested it to the Commissioner.

Q. You could have suggested it to the Commissioner?

THE COMMISSIONER: What?

A. Rumours. If there are any rumours to let me know what they are about.

MR. MacKINNON: Q. You never connected Feeley and McDermott with those rumours?

A. No.

Q. Some other gambling syndicate?

A. What is that

Q. Some other gambling syndicate?

A. Not necessarily gamblers at all.

Q. Weren't you on the Anti Gambling Squad?

A. Yes, sir.

Q. Who else would it be?

A. Who else would it be what?

Q. XThe gamblers you were giving the tip off to?

A. Who suggested I gave a tip off? You are the one who is suggesting.

Q. I certainly am, witness.

A. You are absolutely wrong.

Q. Leave that aside for the moment. What I am wondering about is you said you spoke to the Commissioner because you wanted him to know you were hurt about being moved, and you went to see him twice?

A. Twice. It was my own initiative.

Q. And you wanted to be told about the rumours. And there must have been rumours, must have been something about the gamblers?

A. I didn't say about the rumours.

Q. What were you telling mk to him about rumours?

A. The press was saying we were too slow, and that was a different story than

the reason he gave me for being transferred.

Q. I thought he told you were were too slow?

A. No.

Q. What was the reason?

A. There was a change in policy.

Q. You were too slow. You said the Attorney General's Department wanted to speed thing up?

A. No.

A. And change the thing?

A. No, many later he told me that. No, he said the only thing that was anything cloudy about, any suggestiong why I was being transferred was because the Attorney General's Department felt we were too slow. And the "we" would be referring to Von Zuben and I. And Von Zuben was in charge of the Branch, not me.

Q. So, this conversation with Shrubb in attempting to see if he were receiving bribe money --- this is your story --- was really just to assuage this hurt feeling at being transferred out of the Branch?

A. Persuade?

Q. Assuage, to soften?

A. Yes.

Q. If you were sure he was taking bribes you didn't know what you would do next?

A. I don't know, I might have gone

to the Attorney General.

Q. Why wouldn't you go to the Commissioner?

A. Because one year later the clubs are still operating.

Q. Why go to the Attorney General's Department?

A. Who would I go to?

A. I suggest the Commissioner.

A. No, I wouldn't go to the Commissioner. The Commissioner is still the Commissioner and the place was still running.

Q. When George Reid talked to you and gave you some important and confidential information why didn't you goto the Attorney General's Department?

A. That is many years later.

Q. The same problem, the same club, the same people?

A. George Reid. I certainly know Sergeant Andersson was incharge of the Branch and I know nothing would be wrong with Sergeant Anderson .

Q. In other words, I suggest you had some information about Sammy Bolsom, and young officdrs taking patches all over the place, I think was the expression?

A. Yes.

Q. Selling patches all over the place. Why didn't you go to the Attorney

General's Department with this information?

A. I didn't feel it was my duty.

Q. Why would you feel it was your duty if Shrubb told you he was taking bribes?

A. I felt if Shrubb was dishonest that was part of the plan of shifting me in the first place. That was my thoughts. But talking to Shrubb I was satisfied that he wasn't dishonest. He could have had a confused mind but he wasn't dishonest in my assumption. And as far as I was concerned that was the end of it.

Q. You weren't feeling hurt any more in '59, when you were talking to George Reid?

A. No, sir, I was.

Q. The Commissioner asked you this but your answer was a little confused, at least for my hearing. Why did you think George Reid would confide something as important as this in you?

A. I didn't think it would be important.

Q. An honest police officer? And ex-police officer?

A. Yes.

Q. An Honest, upright police officer who retired to go into business as an honest, upright citizen of the community, this gambler,

I believe with a criminal record, tells him about some graft and corruption on the police force, and feels nothing is going to happen, it is quite safe to tell this honest, ex-policeman about this serious matter?

A. He must have felt it was safe or he wouldn't have told me

Q. He must have. And he was safe.

A. Yes.

Q. Why do you think he felt that way, do you think he had heard stories, too?

A. No.

Q. You didn't discuss that with him?

A. No.

THE COMMISSIONER: You didn't satisfy me why you didn't go to the Attorney General's Department, a honest, upright officer?

A. I wasn't an officer then.

Q. You had been?

A. I definitely had been.

MR. MACKENZIE: Q. You are an honest, upright citizen?

A. Yes, I am.

Q. You duty, presumably, is to uphold the law?

A. I would agree that would be the proper thing for me to do, but I didn't.

THE COMMISSIONER: We know you didn't.

MR. MacKINNON: Q. Let's get back to the discussions with Feeley and McDermoot, particulary ~~of~~ with Mr. McDermott.

A. Yes, that is right.

Q. What did he tell you about the patches he had?

A. Just a moment. I never asked McDermott about the patches he had any more than I would ask the Royal York how many rooms they had.

Q. This is a little more intimate that the Royal York and the number of rooms they have. You were a friend of McDermott, an ex-police office, and George Reid found quite natural to confide in.

A. I won't say McDermott had a patch. I don't know whether he had or not. And I am sure he wouldn't tell anybody if he did. Would you tell people if you had a patch?

Q. I have had very little experience in this.

A. I don't think anyone would.

Q. So I really can't say. I presume if I had a friend who was a patch one might be prepared to bring me to it, let's put it that way, whether patches were applied?

A. That might be quite possible.

Q. You say he didn't discuss the operation of these clubs?

A. Definitely not, and I wouldn't ask him.

Q. What did you find in common? What were you discussing? What did you have in common besides flowers?

A. I can talk fishing. And Joe is a neighbor.

Q. This is a little more than a neighbor. You are not as friendly with your other neighbors, going to dinner and having them over?

A. I have.

Q. All your neighbors?

A. Not all my neighbors. I didn't say that.

Q. You are a little more selective?

A. No.

Q. You talk to certain people, and particulary Joe McDermott?

A. Yes.

Q. And Vincent Feeley?

A. And Vincent Feeley, yes. And I haven't been in any illegal transactions with them. You may have rumours, you won't produce facts.

Q. We have some facts.

A. I challenge you to produce some facts.

Q. I think we have produced some facts, otherwise this is a modern miracle you saved so much money.

THE COMMISSIONER: Haven't you heard of the miracle of the loaves and fishes?

MR. MACKINNON: That is what I afid, a modern miracle.

Q. You would talk, I suppose, about Dewsbury's cintment with McDermott?

A. Eventually.

Q. Well, '57, he introduced you to the subject in 1957.

A. It wasn't mentioned twice in the intervening time.

Q. Did he mentioned who McDermott's lawyers were then? He and Feeley went into partnership?

A. No, I didn't know they were partners.

Q. They both had something to do when you were taking over the business?

A. They are partners, and I would assume everything they had, except personal things, would be together.

Q. How do you know they are partners?

A. Well, I know they are partners.

Q. How?

A. By the different --- Actually, I couldn't say I know they are partners. I don't know they are partners.

THE COMMISSIONER: Which is it?

A. Mr. Roach, I know I shouldn't have said that. I certainly don't know. I have nothing of my own knowledge. I don't know.

MR. MacKINNON: Q. Did they tell you they were working together on various matter? They might have told you that much?

A. Certainly. Certainly they were working together on the mine. I never saw them, but they were talking about that. And I didn't know about many things that were produced here in court the other day, the finance company and ---

THE COMMISSIONER: You knew they were partners out in the Centre Road Vets' Club?

A. Yes, but to say I knew, I didn't. But I assumed to my satisfaction they were.

MR. MacKINNON: Q. In any event, it was ajoint venture to set you up in the business of Dewsbury's ointment?

A. Well ---

Q. Was it or not?

A. I didn't discuss it with the two of them.

Q. You told us Feeley and McDermott both dealt with you in connection with this?

A. Yes.

Q. Was it a joent operation to that extent?

A. Yes.

Q. And you got money from themto

help operate this business?

A. Yes.

Q. They must have had a fairly high opinion of you?

A. I think they would.

Q. Yes.

A. And I don't think it would be much of a venture for them, $2,000.

Q. I expect it wouldn't be for any of you?

A. It was for me.

Q. It was money they gave you to carry out this venture?

A. Yes.

Q. In expressing their opinion of you did they ever say you had the heart of a lion?

A. No.

Q. You say you discussed this telephone conversation with McDermott and Scott and you didn't discuss it that you were a man with a heart of a lion, and you said McDermott was continually saying that?

A. He laughed and denied saying it.

Q. Did he deny having a telephone conversation with Scott?

A. I never went that deept into it.

Q. Why not?

A. Why would I?

Q. You were very concerned about this?

A. No, I wasn't very concerned about this.

Q. I thought you were. I thought this is what really roused you, the suggestion you were taking tip-offs and had been paid for it by these men. It was in that connection he said you had a heart of a lion for ten or twelve years you had been working for them and giving them the off?

A. Yes.

Q. Didn't that excite you?

A. No, sir, not at that time.

Q. You were enured. When this came up ---

A. Two or three years ago.

Q. Yes. Did that not upset you?

A. No.

Q. Why not?

A. This is quite a few years later and I never paid much attention.

Q. You figured nobody could prove it?

A. No.

Q. By that time?

A. There was nothing to prove. Nothing to prove.

Q. It didn't bother you then?

A. I wouldn't say it did not bother me. I wasn't too concerned about it. The whole thing as far as I was concerned was a whole lot of gossip, a whole lot of gossip.

Q. That is what you may think. You may be too confident.

A. I am confident. It was gossip.

Q. That is what Mr. McDermott said, that they couldn't prove anything. But you might be surprised.

MR. ROSE: When did McDermott say that?

MR. MACKINNON: It is in one of the transcribe phone calls.

Q. In any of these discussions with McDermott you told us you never really went into the clubs, or into a discussion of his clubs or his operations at all?

A. That would be a hundred percent. right. I wouldn't discuss the operation of his clubs with him, and I wouldn't want to discuss it with him.

Q. And you stated the major bit of business, of course, you ever discussed with him, otherwise it was purely socializing, was Dewsbury's ointment?

A. And I challenge you to prove anything different.

Q. Just a moment.

A. That is right. I defy you to prove anything different. I was never in any other business with McDermott or discussed any other business.

Q. We will just see. You say you introduced Leberman?

A. Yes.

Q. Do you know Leberman? Who he was?

A. Yes.

Q. You said you travelled with him for twenty years?

A. No.

Q. It is in the transcript.

A. I didn't say I had travelled with him. I had known him for twenty years. How could I travel with him.

Q. I don't know how you could travel with him. You tell me. You had known him for twenty years?

A. Maybe not twenty years exactly, roughly.

Q. Page 8066. I took it down in my notes and it is transcribedkin the official transcript. 8066, line 8, or line 10:

"A. No, but Mr. Leberman, as long "as I have known him for twenty years, "has made an honest livelihood. I "have known Harry Leberman and

"travelled with him on the road for

: close to twenty years."

What did you mean?

A. I went with him, that doesn't say I travelled with in for twenty years. If that can be assumed that is in error. How could I possibly travel with him for twenty years?

Q. Don't quibble around answers, just tell me.

A. I went on occasion where he bought a bankrupt stock, maybe a Saturday.

Q. Was this while you were on the police force?

A. Yes.

Q. And you knew he had a criminal record?

A. I know. Or I knew. I was told he had. And that was a good many years ago when he was only young. He explained it to me. He was the fall guy for Feders.

THE COMMISSIONER: For what?

A. For Feders.

MR. MACKINNON: Q. This is Leberman. He is now travelling wih a carnival; isn't he?

A. Not to my knowledge.

Q. Have you seen him recently?

A. Yes, sir.

Q. Are you sure he isn't with a carnival now?

A. No, he would be with several carnivals. He sells to carnivals; to my knowledge he isn't. I would be very surprised if he is.

Q. What does he sell to carnivals?

A. Panda dolls for the bingoes.

Q. His eyesight doesn't affect him in that.

A. That is why I am sure he isn't travelling with a carnival.

Q. You wouldn't say he isn't?

A. I wouldn't say he isn't. But I would be very surprised if he is.

Q. Your diaries, I take it you left them with the police when you left?

A. Yes, sir.

Q. Left the force; is that correct?

A. Yes.

Q. And you told us the other day you wouldn't know any of those clubs, the Lorell Club?

A. That is right, sir.

Q. Are you telling us you never raided in the Niagara Peninsula?

A. Yes, sir, I did.

Q. Why wouldn't you raid the Lorell Club?

A. I don't think the Lorell Club was operating when I was there. The only

Club I raided in Niagara Falls was an old house on the outskirts -- and it may have been in the City limits. And the town across from Buffalo, Port Erie. And it was eventually a house of prostitution, and we had it for both. And I was certainly on both raids. And they were convicted. And that was the only place to my knowledge I ever raided in the Niagara Peninsula.

Q. You never heard the name Lorell Club?

A. Yes, I have.

Q. Had you heard of the name at the time you were talking to Corporal Shrubb, on May 5th, 1955?

A. Yes, I had heard that name.

Q. Why did you tell Mr. Wilson that you couldn't have mentioned the name Lorell, because you never heard it?

A. No, I didn't.

Q. That was your answer, you said: "I couldn't have said anything like that, I didn't know about a Lorell Club"?

A. There were several Clubs he mentioned, several Clubs and unit numbers and so on.

Q. Did you say you didn't mention it, that is what you swear, you didn't mention those Clubs?

A. No, sir, he mentioned it.

Q. And you didn't know the Ramsay Club, the old Ramsay Club?

A. I have heard of it, but I couldn't tell you where it was located. And I have forgotten now if it was in Niagara Falls or Windsor. I think in Niagara Falls.

Q. I suppose in '55, it was only less than a year after you left the Force, your memory would be clearer on these Clubs than it is now?

A. Yes, naturally it would be, sir.

Q. Did you tellus you had never gone into the Alpha Club, or the Unit No.236, apart from your raids?

A. You are talking about out here?

Q. Yes.

A. That is right.

Q. You never went in there?

A. No.

Q. And Mr. McDermott never invited you?

A. No, sir.

Q. And apparently -- was it in 1960, I believe you said, he made arrangements, he and Feeley, to take you up by airplane to his mine up north?

A. That wasn't so, he made

arrangements. He often asked me to go up to the mines with him, but the only way he went up was by plane. I refused to go up in the plane. I didn't want to go up in it.

Q. And in Constable Moore's notebook for June 23rd, 1960, he has:

"Cronin said he was supposed to
"go up to their mine last week
"but couldn't make it."

This is precisely what Inspector Graham says you said.

A. That might be. I couldn't make it? Certainly I could make it. I preferred not to make it.

Q. Why?

A. I was scared to go in a little plane. I wouldn't go in a little plane.

Q. It was a little plane they were taking you up in, but it was at their expense. You weren't paying any fare?

A. No, certainly not.

Q. You told me you worked very hard and you saved your money. Did anyone point out to you if you put your money in the bank that you would have earned thousands of dollars on these savings, even if you put it in the bank say, from 1940 on?

A. Yes.

Q. It did cross your mind?

A. Yes.

Q. Why didn't you do it?

A. I didn't like the banks.

Q. Why were you afraid of the banks?

A. My father told me of the banks going broke. And I had magazines at home to the effect they went broke. And I was afraid of that.

Q. But your faith was gradually restored, I take it?

A. That is right, sir.

Q. Until you went into the motel business?

A. After I went into the motel business.

Q. And then you opened up a bank account?

A. With my partner. That is quite right.

Q. You are quite happy with the banks now?

A. Yes.

THE COMMISSIONER: Even when you were concealing your money in the ground?

A. Yes.

Q. You had a small bank account?

A. Yes.

MR. MacKINNON: Q. And your wife, she

had a bank account?

A. The money we had in the bank was not that great you had to be frightened. It was more for paying payments onthe house, and things like that.

THE COMMISSIONER: How much did you have in the bank? The greatest amount you had in the bank at any one time while you were still concealing money in the ground?

A. I don't think I know. You have the records there. But I would be surprised if it was anything over a thousand dollars.

Q. Just take $750, that is a sizable sum for a man saving like you were. Why would you take the risk of putting $750 in the bank?

A. There was a trust ---

Q. No. -- all right, go ahead.

A. For the young lad.

Q. Then, that was more sacred, a trust account for youngon. Why risk putting it somewhere where you would lose it?

A. I wouldn't want to put any great amount.

Q. Don't you think $750 is a great amount?

A. Yes, but a person can get over it.

Q. If you lost that it would be

a small grief, not a big one?

A. No, it wouldn't be a small grief. I would hate to lose $750, I can't afford to lose $750.

Q. Nor would I. But if I didn't have faith in the banks I wouldn't put $750 in it. I am surprised you did.

(Page 9020 follows)

Mr. MacKINNON: Q. In that connection, witness, you gave a certified cheque for fifteen hundred dollars as a deposit on this Kingston motel?

A. I don't recall that.

Q. This is the information I have.

A. That could be possible.

Q. On the bank account on the Bank of Montreal at Pape and Danforth?

A. I don't recall that, sir; it wouldn't be any large amount of money.

Q. Do you remember the Bank of Montreal calling you and saying the cheque was certified? That doesn't ring a bell?

A. No, it doesn't.

THE COMMISSIONER: Well, we will have a ten minute recess.

---Short recess.

MR. MacKINNON: Q. You did state in your evidence a FEW days ago that you told no one about the money in the ground?

A. That's correct.

Q. You didn't want your parents to know?

A. I didn't want anybody to know.

Q. Did you have a will in 1940?

A. 1940?

Q. Yes?

A. No, not in 1940.

Q. What would happen to this money if you

suddenly died?

A. They would find an envelope in my cupboard with instructions.

Q. Where was the envelope?

A. In a coat pocket.

Q. They would have to go through your coat pockets before they would find this?

A. Yes, sir.

Q. You didn't make any will as to how you wanted this money disposed?

A. No.

Q. When did you make your will?

A. I would say it would be in the 1950's.

Q. By that time you would have close to fifty thousand dollars in the ground?

A. I would think after that.

Q. What was going to happen to this money after you died?

A. You mean if I died before the will was found?

Q. Yes?

A. I had a bank box.

Q. What was in the bank box?

A. The deed, and so on.

Q. What was going to happen?

A. I would leave instructions to my wife.

Q. In what form?

A. Written instructions.

He had a pharmaceutical firm make the lens by contract.

9/22/6

Q. This was a new direction or did you discuss --

A. New one.

Q. Where did you make this Dewsbury Ointment?

A. (No audible answer).

Q. Did you have anything to do with the cream?

A. Yes, sir.

Q. Is that just another name for Dewsbury Ointment?

A. It isn't Dewsbury Ointment.

Q. Where did you getthe name for the product?

A. From --

Q. Did McDermott and Peeley have anything to do with it -- any interest in it?

A. Yes.

Q. You were expanding your products?

A. That's right. I did the advertisements and we never sold one jar of beauty cream.

Q. I take it it was a general venture with Peeley and McDermott?

A. Right, sir.

Q. You mentioned that a miss (not heard) was Silkstone?

A. Yes, sir.

Q. How do you know that?

A. I have heard.

Q. Do you know a Charles Silkstone?

A. No.

Q. Have you ever heard of him?

A. Probably, yes sir, but I have never heard of him.

Q. You have heard of this incident where they were watching Shmubbd/

A. Yes.

Q. Did you read Wright's evidence before you came here?

A. No, sir.

Q. No?

A. No, sir. I will tell you: I wanted to come here and answer the questions.

Q. You read the papers?

A. Yes.

THE COMMISSIONER:: Q. Did you ever give a statement to anybody?

A. No, I haven't.

MR. WILSON: Q. I notice you mentio ned David Humphrey's - do you know him?

A. Not -- I remember him when he was the crown attorney and once he came in and I never spoke to him from then until now.

Q. You never met him out at McDermott's place?

A. No, sir.

Q. You say you never spoke to Lawrence or Lamoureux?

A. No, sir.

Q. Either directly or indirectly?

A. Neither directly or indirectly, I have never spoken to him (sic).

Q. That is all.

---EXAMINED BY MR. BREWIN:

Q. You were transferred about some time in April, 1954, from the anti-gambling squad?

A. Right.

Q. Apparently then you would not then be in a position, if you had wanted to, to say anything about the anti-gambling squad?

A. That would be reasonable.

Q. And if McDermott and Feeley, if they wanted to find someone who could give them this information on theanti-gambling squad, they would have to look elsewhere?

A. That's right.

Q. They would have to look elsewhere?

A. There would be no use looking at me, for one thing.

Q. You wouldn't tell them?

A That's right.

Q. In May 1954 you saw him?

A. No.

Q. When he suggested that you could give tip-off's?

A. At Kingston, as far as I's concerned.

Q. Well, you don't know how McDermott would know? I suggest to you that after your transfer it was necessary to find somebody else to give tip-off's to Armstrong and Feeley? That was the first but it didn't succeed?

A. I couldn't say.

Q. Then we will come to the Fall of 1954 and Wood has told us that in the Fall of 1954 you approached him at his restaurant?

A. No, that is not right.

Q. At this restaurant in 1954 you discussed with him returning to the force?

A. No, that's not right.

Q. Well, do you mean what Wood said isn't true?

A. What Wood said isn't true. No, it isn't.

Q. Wood is mistaken?

A. Did he say I done that?

Q. He certainly did.

A. I can't help what he said.

Q. Well then, we will come to that. Shrubb said it was in May, 1955, that Shrubb told about you approaching him?

A. I did?

Q. Did I understand you to say in your opinion Shrubb was honest, if confused, is that right?

A. Yes, I would say that's a fair statement.

Q. So if Shrubb gave an account, in your opinion, it would be an honest account?

A. Honest insofar as police duties are concerned, yes.

Q. Yes.

A. "I was satisfied that the man was not corrupt.

Q. Shrubb told us you had been giving tip-off's?

A. If what?

Q. Shrubb told us Feeley told him that you had been giving tip-off's?

A. If Feeley told him twenty times, I can't help that.

Q. Is that wrong?

A. No, I would have no explanation.

Q. He states, Constable Scott that McDermott told him that you had been working with him?

A. Yes.

Q. Have you any explanation for that?

A. Could it help McDermott? Would it be of any assistance?

Q. I am producing some facts.

A. No, that is not a fact.

Q. You have no explanation why McDermott would think that?

A. I just explained to you about that.

Q. Well, let us go on to what Wright tells us, that he had been a partner of yours. Now, have you any explanation for that?

A. I have no explanation. That is certainly wrong.

Q. You think Scott made that up?

A. I don't know.

Q. Do you have any reasonable explanation why Wright would say you would be?

A. Pardon?

Q. Do you have any explanation why Wright would say you would be in partnership with him?

A. No explanation.

Q. Then Wright gives us a story about approaching you six years after leaving the Force. Had you been in contact with him?

A/ No, sir.

Q. Can you say why?

A. I don't know.

Q. You don't know why he came?

A. I don't know.

Q. He hadn't seen you for six years?

A. That's right.

Q. Why would he return to you for a loan, did he tell you?

A. He started to explain about being transferred and while there he asked me for a loan.

Q. And Wright again in another section he was telling about conversations that you told him many things about the underworld. Is he wrong?

A. I don't know where he would get that assumption. I didn't tell him anything about that.

Q. Therefore his report is wrong?

A. At the very least it's wrong.

Q. "Sgt Grenin informed me (reading to words) --

A. I don't know how he could assume that. That's definitely false.

Q. That is another falsehood?

A. I don't have that information.

---BY MR. BREMIN:

Q. Mr. Cronin, in respect to this report of May 5th, 1955, that you have been questioned about - you recall that repphrt?

A. Yes.

Q. That you stated you had a piece of the Veteran's Club at Cooksville?

A. Yes.

Q. And as I recall your evidence you said Shrubb said he could remedy it in two hours time. Who did you have in mind then?

A. He mentioned many Italians that I have never heard before or since.

Q. Can you remember any particular one?

A. No, no particular one; If I ran into any particular difficulty I would ask any one.

Q. Did he ask about anybody else that could be trusted?

A. No, I don't recall. He rambled on for about half an hour.

Q. What do you mean he rambled on for about half an hour?

A. I was cross-examined about Mr. Shrubb.

Q. What do you mean when you say he had a confused ming?

A. I would say that Shrubb was suspicious of everybody.

Q. I see.

A. The whole Attorney General's Department.

Q. Who was he suspicious of in the Ontario Provincial Police?

A. No, I never heard him say he was suspicious of anybody.

Q. Did he say anything about the Commissioner?

A. I don't recall the Assistant, Commissioner.

Q. You don't?

A. No, but what he told him was --

Q Was he suspicious of John Anderson?

A. No, but what he did tell me was that John Anderson was not cut out for the type of work he's doing; and he should make way for somebody who can do the job.

(Page 9040 follows)

Q. You say you caught him cheating at cards many times?

A. Yes, many times.

Q. Was that theonly reason why you would not place too much confidence in what he had to say?

A. It is quite hard to explain now. Certainly, there were three or four officers of the opinion that he was taking his donuts and coffee without paying.

Q. He was not making his contribution?

A. That is right.

Q. Let me put it to you this way: In respect to the allegation of the untruthful evidence, in respect of the prosecution, did that occur before you left the branch?

A. No. I never heard tell of that at that time.

Q. I gather that was after you left in 1954?

A. It must have been, sir.

Q. Mr. Brewin was asking you a question a moment ago, that Wright was supposed to have said to Scott - at least Mr. Brewin suggested to you that you think that Scott made that up, and your answer was that you did not know? Now, may I put this question to you: Do you think here,having regard to what you know

Q. Do you think you could be sure that the man you saw was Harry Lamont?

A. Yes, very sure.

Q. Was that the only occasion when you really did place too much confidence in what he had to say?

A. It is quite hard to consider that. Generally, I was rather on guard against the question that he was talking into courts and calling witnesses perhaps.

Q. He was not working for Lamontstown?

A. That is right.

Q. Did you get at it in your own way? In respect to the allegations of the Lamontstown witnesses, in August or the beginning of September, did that point occurred you that he was trying to get back at that time.

A. No. I never learned that at that time.

Q. I gather that was after you left in July?

A. It must have been, sir.

Q. Mr. Brennan was telling you a story - I cannot say, but I think you agreed to have said to Brennan - or Lamont to, Brennan, suggested to you that you tell that to Brennan that you'd go, and your answer was that you'd see and know? Now, may I put this question to you: Do you think, having regard to what you know

of Scott, do you think for a moment that Scott would be capable of making up a statement such as this?

A. I do not know Scott at all.

Q.You do not know Scott?

A. No, I do not.

Q. Let me ask you this; During the whole period of time that you were on the Anti-Gambling Squad, did you at any time receive any money from either McDermott or Feeley, directly or indirectly, for providing them with either protection, or tip-offs of any kind?

A. Absolutely, under no circumstances, did I receive money from them.

THE COMMISSIONER: Either directly?

A. Or indirectly.

Q. Or any benefits?

A. Or benefits.

Q. Or any advantages of any kind?

A. None whatever, sir.

Q. Or any gifts?

A. None whatever, sir.

THE COMMISSIONER: All right.

MR. WILSON: You mentioned earlier in your evidence, that your purchased bonds which were registered in your name?

A. That is right.

Q. What is the total amount of those bonds?

A. $2,000, I think.

Q. $2,000?

A. I think so.

Q. And the reason I ask is, we had the records checked at the Bank of Canada, and we cannot find any bonds having been registered in your name?

A. Well, I did sir.

Q. When was this?

A. That was, I would think in the early 1940's, sir.

Q. Did you subsequently dispose of them?

A. Yes. I had to take them to a bank; & the manager - - -

Q. What year was that?

A. I could not say, sir, but I think it would be when I bought the house out - - out here, I think it was in 1956. Maybe before that.

Q. Did you buy these bonds before you joined the force or after?

A. No, after, sir.

MR. MacKINNON: No, it was before.

MR. WILSON: Q. You did not take the money out of the ground to buy these bonds?

A. No, that was part of - - -

Q. What?

A. That would be considered part of the savings?

Q Part of the savings.

THE COMMISSIONER: Part of what?

A. Part of the savings; the total.

Q You told us you had - - do you mean the $35,000 buried in the ground? Now the bonds were not part of that?

A. The bonds were part of the overall stake, sir.

Q. Do not get confused. You say you had $30,000 to $35,000 buried in the ground. And all of that had come out of your savings?

A. That is right.

Q. And you say this $2,000 was in addition to that?

A. No, it would not be in addition to that. It would not be in addition to that. Any bonds I bought since, since I joined the Provincial Police, would be part of that $30,000.

Q. Do you mean part of the $30,000 that was buried in the ground?

A. I did not count the actual money that was in the ground.

Q. Of course you did not. But you said there was certain money in the ground.

Q. [illegible]

A. That would be considered just of the auditor.

Q. Part of the estate.

[illegible]

A. Part of the accounts, the total.

Q. The list is you had -- the -- you had the $20,000 owing in the general, the bonds were not part of that.

A. The bonds were part of the overall estate, sir.

Q. In the net worth. You say you had $20,000 to $25,000 lying in the ground. And all of that had come out of your savings?

A. That is right.

Q. And you say that $4,000 was in addition to that?

A. No, it would not be in addition to that. It would not be in addition to that. My wife's father, since I joined the professional police, would be part of that $20,000.

Q. Do you mean part of the $20,000 that was buried in the ground?

A. I did not count the actual money that was in the ground.

Q. Of course you did not. But you said there was certain money in the ground.

And, it amounted to $30,000 to $35,000?

A. I saved it.

Q. And it was in the ground.

A. The money was in the ground.

Q. The bonds were not in the ground?

A. No. It was not.

Q. And the bonds were purchased out of your savings?

A. That is right.

MR. WILSON: Mr. Commissioner, he told us he had $50,000 to $55,000 altogether in the ground. He had $20,000 before he joined the force, and then he saved $30,000 or $35,000.

THE COMMISSIONER: From his earnings on the Force?

MR. WILSON: Yes. (To the witness)

You told me you bought $2,000 in registered bonds, after you joined the Force. That is what you are saying today?

A. Yes.

Q. When you were examined on page 8012, you told me in 1941, when you joined the force, you had $20,000. Is that it?

A. That is right.

Q. I asked you how you had that invested, and you said: "I would certainly have some in registered bonds.

"Q. What kind of bonds?

"A. Registered bonds.

"Q. Government bonds?

"A. Yes."

A. That is right, sir.

Q. Did you have, also, registered bonds before you joined the Force, as well?

A. I certainly assumed they were registered bonds.

Q. Which story do you want me to accept? That you had registered bonds before you joined the Force, as well as you had purchased more, after? What is the story?

A. I had purchased several bonds, sir, and I certainly had bonds when I joined the Force.

Q. How much, in bonds?

A. I think about $2,000.

Q. Before you joined the Force?

A. Yes, and I think they were registered bonds and I know I had to sign my name on them, and fill them out when the bank manager was cashing them in.

Q. If you had that $2,000 before you joined, how much more did you have after?

A. I think I had possibly, at one time, $4,000 or $5,000 in registered bonds; because I had to borrow some money when I bought that home out there, and I had to leave the bonds in the bank over at Parliament and Gerrard, and

get a loan on the bonds, and I could not do it, and I had to cash in the bonds.

Q. You could not get a loan on the bonds?

A. No.

Q. Why?

A. I do not know why; I was quite perturbed about it.

Q. What bank was this, at Gerrard?

A. I do not know the name.

Q. Was that the one at the north-east corner?

A. No. The south-west corner I think.

Q. The south-west corner?

A. I think so.

Q. You do not even know which bank it was?

A. No, I do not.

Q. Did you ever have a safety deposit box there?

A. Yes.

Q. When did you first get the safety deposit box there?

A. I could not tell you.

Q. Have you still got it?

A. Not there. I have it at Dixie Plaza.

Q. And you say the bank would not loan you money on the security of Government Bonds?

A. No. I did not get a loan on the Government bonds.

Q. I see.

A. I could not get a loan. I do not know whether I had $2,000 bonds, or not, and I forget what I was short for the payment at the house at Agincourt.

THE COMMISSIONER: Q. What year was that?

THE WITNESS: 1956.

MR. WILSON: Q. 1956. Is that the one at Scarborough?

A. No.

Q. In Agincourt?

A. No, no, no. I mean Dixie, if I said Agincourt, I meant Dixie.

Q. It was Kenneth Drive you purchased in 1956?

A. Yes.

Q. Did you sell your $1,000 in bonds in 1956?

A. Yes.

Q. Through that particular bank?

A. Yes, I think so, sir.

Q. On August the 5th, 1958, according to Exhibit 241, there was a deposit

by your wife, of bond coupons totalling $100. What bonds would those be?

A. I do not know sir. In what year?

Q. In 1958?

A. I mean, I thought I had cashed in the bonds. I certainly have no bonds now. If there were some bonds left over, from then, then what it was, I do not recall; whether I sold them or not.

Q. In May 1955, when you had this talk with Shrubb, you say that he suggested it would be a good idea if vanZuben took over the Anti-Gambling Branch?

A. I did not say that.

Q. Just a few minutes ago?

A. No.

Q. What did you say about vanZuben?

A. vanZuben was on the traffic division.

Q. What did you say to Mr. Rose?

A. That Shrubb had said that Anderson would be better in a detail like that, than where he was.

Q. What did you say about vanZuben? That he should go back?

A. No, no, no. That Anderson would be better.

Q. Doing the type of work

vanZuben was doing?

A. That is right.

Q. It did not sound like that, but that is what you say you are saying?

A. That is right.

MR. WILSON: That is all. Oh, what bank is the safety deposit box in, at the Dixie Plaza?

A. The same bank. The Canadian Bank of Commerce. It is number 325.

MR. WILSON: That is all the evidence I have. You will be here in the morning.

---Whereupon the hearing adjourned until Friday, June 29th, 1962.

File Copy

Volume # 43

Royal Commission on Crime,

Friday June 29/62.

Pages 9050 - 9122.

INDEX TO WITNESSES

INDEX TO EXHIBITS

FRIDAY, JUNE 29TH, 1962

---The Commission convened at 11:07 a.m.

THE COMMISSIONER: Mr. Wilson?

MR. WILSON: Mr. Commissioner, I have a telegram here, dated the 29th of June, 1962, from the Honourable Leslie Frost, addressed to you, which I want to read:

"Amazed to read in Thursday's
"Globe and Mail that two letters
"said to have been sent by Mr.
"Wintermeyer to me June last,
"concerning one Eric Scott were
"introduced as exhibits without
"my reply. The newspaper comments
"'these letters were introduced as
"Exhibits at the Commission, but
"it was not revealed whether Mr.
"Frost replied to Mr. Wintermeyer.'
"A copy of my reply to Wintermeyer
"with the newspaper report is being
"delivered to you. My reply
was clearly supressed which is
"misleading to the Commission,
"deceitful, and completely unfair to
"me. The Wintermeyer letters were
"introduced by a hearsay witness.
"They should have been introduced

"by Wintermeyer himself with my
reply. Wintermeyer has counsel
"who enters the Liberal Party case,
"hearsay or otherwise, at will,
"while a person like myself has to
"read this travesty in the newspapers.
"I submit that political parties
"should not be represented, but
"if they are, then counsel should
"be present to protect the
"reputations and good names of citizens
"who can be very seriously maligned
"by half-truths of this sort. The
"Commission itself can be made a
"political sounding board. I ask
"that this telegram, my reply letter,
"and the newspaper article be
"entered in the proceedings."

THE COMMISSIONER: Have you got something else?

MR. WILSON: I had better read the letter that Mr. Frost wrote, and I have a copy of the letter dated July the 26th, 1961.

"Dear Mr. Wintermeyer,

" I acknowledge your letter of the
"17th instant. I may say that I
"have handed the same to the
"Attorney General in whom I have
"complete confidence. May I point

"out that Mr.Gordon Ford,Q.C.,
"is retained as Crown counsel in
"certain matters which are presently
"before the courts. Mr. Scott
"I am advised was engaged by Mr.
"Ford in a private and junior
"professional capacity. It would
"seem to me that the proper course
"would be for Mr. Ford, who is a
"man of integrity, experience and
"standing at the bar, to advise
"the Attorney General in relation
"to matters of that sort, and I am
"satisfied that he has done so.
"I may say that in prosecuting
"certain elements of the gambling
"fraternity, the law authorities
"are dealing with blackmailers,
"name droppers and people of that
"ilk. I understand that before
"the initiation of certain proceedings
"the Crown was fully aware of
"remarks which had been made by
"certain elements which in no way
"altered the determination of the
"officials to proceed with the
"prosecution. I am sure Mr. Ford
"has advised the Attorney General
"of any relevant features of this

"matter, no only as they affect
"these cases, but also the public
"interest."

Now, together with the copy of the newspaper article, of the Globe and Mail of June the 28th, that will be one Exhibit.

THE COMMISSIONER: 239?

THE REGISTRAR: 249. 249-A,B and C.

THE COMMISSIONER: 249, I am sorry.

---EXHIBIT NO.249-A: Telegram from Hon.Leslie Frost to the Commissioner. dated June 29, 1962.

---EXHIBIT NO.249-B: Copy of letter from Hon. Leslie Frost to Mr. Winterseyer, dated July 26th, 1961.

---EXHIBIT NO. 249-C: Copy of Globe and Mail article dated June 28,1962.

MR. MacKINNON: I wonder if my friend - - -

MR. WILSON: I am not quite finished, Mr. MacKinnon.

Now, Mr. Commissioner, if the reply of Mr. Frost had been brought to my attention on Wednesday, I most certainly would have introduced it in evidence at that time.

THE COMMISSIONER: I am wondering where it was on Wednesday.

MR. WILSON: Whether my friend had it, I do not know.

MR. MacKINNON: This came out of the

file of Mr. Graham.

THE COMMISSIONER: Graham.

MR. WILSON: That is all that was put in

THE COMMISSIONER: I know it did; but how did it come about, that the file that Mr. Graham had in his possession did not include Mr. Frost's reply?

MR. MacKINNON: You would have to ask Mr. Graham. I never saw that file before till he was in the box, and I asked for all his reports.

THE COMMISSIONER: He got it from Scott?

MR. MacKINNON: Apparently he got it from Mr. Scott, or a copy of the letter from Mr. Scott.

THE COMMISSIONER: Then, you had better ask Mr. Scott?

MR. MacKINNON: I understand there are other letters as well.

THE COMMISSIONER: The matter was left the other day with the inference that Mr. Frost did not reply.

MR. MacKINNON: I do not think so. It was just what was in the file, from this witness, and that all went in. I mean, this letter from Mr. Frost is not the end of it. There is other correspondence.

THE COMMISSIONER: I do not know. It is

the end, at the moment, as far as I know.

MR. MacKINNON: Well, it can be as far as I am concerned, so that when the witnesses do get in, we can put in all the correspondence at the same time, it seems to me.

THE COMMISSIONER: All right.

MR. WILSON: You will recall, Mr. Commissioner, that these documents were introduced as part of Exhibit 243. It was a report by Inspector Graham, dated July the 28th, 1961, and he had attached to his report copies of a memorandum of Eric Scott, dated July the 11th, 1961, a copy of Mr. Wintermeyer's letter to the Honourable Leslie Frost, dated July the 17th, 1961, and a copy of Mr. Wintermeyer's secretary's letter, covering, to Mr. Scott, dated July the 18th, 1961. But, there of course was not attached to his report Mr. Frost's reply, nor was there attached to Inspector'~~s~~ Graham's report a letter written on the same day by the Attorney General, which has now come to my attention.

THE COMMISSIONER: Dated what?

MR. WILSON: It is dated July the 26th, 1961, and the Attorney General, to Mr. Wintermeyer.

"Dear Mr. Wintermeyer:

Your letter ~~s~~ dated July 17th,

"1961, addressed to the Prime Minister
"has been handed to me by Mr. Frost
"for attention and reply.
" As you know, there is an appeal
"pending to the Ontario Appellate
"Court from the acquittal by a
"jury of certain accused persons. There
"are also a number of charges
"against one or other of these persons
"yet to be heard.
" As you are no doubt aware,
"Mr. Gordon Ford, Q.C. is presently
"retained to represent the Crown in the
"above-mentioned jury case. As I
"understand the matter, Mr. Eric
"Scott, a Solicitor, was employed by
"Mr. Ford as an assistant and a junior
"in the case. Mr. Scott, therefore,
"in such professional capacity, would
"have, in the ordinary course,
"available to him information of a
"confidential nature. You must
"understand that in cases of this
"sort the Crown is dealing with a
"class of persons who are name-droppers
"who assert acquaintanceship with all
"sorts and classes of people. This is
"part of their stock-in-trade and
"techniques.

"It is therefore amazing,
"to say the least, that a junior,
"over the head of his counsel,
"while the case is still before the
"courts, should take it upon himself to
"reveal to anyone without the full
"authority and knowledge of his
"superior information which has been
"so obtained, including gossip of
"the sort that I have mentioned.
"All of this had been obtained in
"the meticulous preparation of the
"case where no factor was overlooked.
"It is unbelievable that a junior
"Solicitor should use this
"confidential information to cast
"doubt on persons occupying responsible
"positions of trust in the Department
"of the Attorney-General.
"I may say that no approach
"has ever been made to me personally
"concerning this matter by Mr. Scott,
"If he had taken this course, I should
"have at once asked Mr. Ford, who
"is the counsel engaged by the Crown,
"to sit in on the discussion.
"My door in my official
"capacity is, of course, open to all
"who have matters of official and

"and personal business which relate to the
"responsibilities of my Department.
"I have the right to expect that
"these approached will be made in the
"proper manner and in this case I
"feel that the approach should have
"been made through the counsel
"whom the Crown has retained and by whom
"the Solicitor was employed.
" Let me assure you that I have
"the utmost confidence in the honesty
"and integrity of my officials.
They are engaged in work involving
"extensive and grave responsibilities.
"In most cases they have many years
"of honourable and distinguished
service in the practice of their
"profession and before the courts of the
"land.
" I have had several discussions
"relative to these matters with special
"counsel retained by the Crown.
"I am satisfied that Mr. Ford has
"disclosed to me and has explained the
evidence and also the statements
"gossip and insinuations which
"investigated persons have made.
"Mr. Ford has done his work painstakingly
"and meticulously and I am certain that

"and personal business which relate to the
"responsibilities of my department.
"I have the right to expect that
"these expenditures will be made in the
"proper manner and in such ways I
"feel that the expenses should have
"been made throughout the department
"where the figures can be verified and by some
"the satisfactory and negligent.

As we leaving you that I have
"the absolut confidence in the honesty
"and integrity of my attorneys.
They are engaged in some important
"business and have responsibilities,
"in most cases they have very great
"of pecuniary and intellectual
nature in the practice of their
"profession and entrust the issues of the
"law.

I have had several conversations
"relative to these matters with general
"counsel retained by the corp.
"I am satisfied that Mr. Ford has
"displayed to me and has explained the
evidence and also the procedure
"which was substantial value
"transactions involved here.
"Mr. Ford has been his usual patriotic
"and industriously and I am serious that

"there is nothing known to Scott
"which is not known to Mr. Ford
"and which has not been discussed with
"me and my Department by him.
"If Mr. Scott has disclosed to
"Mr. Ford any matters of relevance
"either to this case or to the
"public interest, I am satisfied
"that Mr. Ford has disclosed them to me
"and that I am with knowledge
"concerning the same.
" May I conclude by repeating
"that I have the utmost of confidence
"in my officials. They are
"persons of high reputation and
"integrity. Until there is placed
"before me concrete evidence calling into
"question the honesty of any of these
"officials, I shall continue to repose
"in them the confidence which I feel
"their service and experience merits.
"I realize, and I think you will
"realize, thatthey are here engaged in
"difficult work and with suspected
"persons whose stock-in-trade is to
"drop names. I may say that most
"of this unsupported gossip was known to
"the officials before they ever proceeded
"with the cases andI doubt that there is

"anything about which I am not
"acquainted and my officials are not
"acquainted.

Again I point out that
"the proper and professional method
"of dealing with this matter would
"have been for Mr. Scott to have placed
"anything resulting from his
"investigations before his employer,
"Mr. Gordon Ford, Q.C.

"Yours sincerely."

There is a notation on that letter:

"Delivered to Mr. Wintermeyer's
"office and left with his secretary,
"Miss Foster, at 4:00 p.m. July
"the 26th, 1961, by me."

And it is signed "Miss A.Winfield."

And that will be Exhibit 250.

---EXHIBIT NO.250: Letter, dated July 26th, 1961, from the Attorney General to Mr. Wintermeyer.

MR. MacKINNON: Have you got Wintermeyer's reply?

MR. WILSON: I had thought my friend would have it in his file; that last letter from the Attorney General.

Now he asks me whether I have the further document.

MR. MacKINNON: I have no original.

I have the copy; I will read it, if you have not got it.

MR. WILSON: And I have not got it.

MR. MacKINNON: May I read it now? Mr. Wintermeyer's reply, dated August the 1st, 1961?

"Dear Mr. Roberts

" I am in receipt of your "letter dated July the 26th, with "respect to the visit of Mr. Eric "Scott to my office. I understand "your position to be that it is "extraordinary that a junior counsel, "over the head of his senior, and "while the case is still before the "courts, should use confidential "information obtained in the course "of his retainer to cast doubt on "persons in the Department of the "Attorney General. Furthermore, "you suggest that any approach should "have been made exclusively by senior "counsel. You further suggest "that you doubt that Mr. Scott can "advise you of anything in respect "to this matter, other than what you "have already been told by Mr. Ford. "And further, you express the opinion "that you are confident you are as

"knowledgeable as Mr. Scott about
"all matters arising out of the
"prosecution. It is my opinion that
"it is imperative that certain factors
"be established. I believe these to
"be the following.
" (a) Both Mr. Scott and
"Mr. Ford have the same client, that
"is the Crown and that each has his
"own individual duty to that client.
" (b) The fact that the
"proceedings have not been concluded
"has no relevance to the question
"as to the nature of theduty of either
"Mr. Ford or Mr. Scott to his
"client, and how it should be
"discharged.
" (c) I understand it was
"disagreement on this very question
"between Mr. Scott and Mr. Ford which
"resulted in the withdrawal of Mr.
"Scott from the proceedings, and Mr.
"Scott's subsequent offer to lay
"before the Prime Minister matters
"which he considered should be put
"before him as an adviser of the
"client, who is Her Majesty.
" (d) I do not understand
"that a junior counsel after withdrawing

"from a case is bound to refrain
"from acquainting the client with
"anything that he has learned in the
"course of his retainer, merely
"because his former senior objects.
"I acknowledge, however, that the
"client can refuse to see the junior
"counsel, as has so far been the
"case in the present instance.
" (e) It may be that
"Mr. Scott should have sought out
"your office rather than the office
"of the Prime Minister, but there
"was nothing to prevent you personally
"having Mr. Ford present when you
"talked to Mr. Scott, if you had seen
"fit to do so.
" (f) It may also be that
"you already know what Mr. Scott desires
"to tell you, but evidently Mr. Scott
"does not think this is so, and it
"would seem to me that, particularly
"in criminal matters of the nature
"of those here involved, it is not
"sufficient for the Attorney General
"to decline to see junior counsel
"on this assumption or on the grounds
"that anything that may bring into
"question any person in the Department

"of the Attorney General engaged in
"the enforcement of criminal law,
"must necessarily be unfounded.
"It would seem to me that such an
"attitude might well be dangerous,
"and not in the public interest.
"Therefore, on the section, it is
"my expectation that you will agree with
"the observations I have outlined
"above and, having regard to your
"duty to the public, I would ask
"that Mr. Scott be given the opportunity
"to lay before the Crown advisers what
"he had to say.
"In view of the fact that
"I have been advised by the Prime
"Minister that he has transferred this
"matter to you, I therefore appeal
"to you, as senior Crown advisor in
"this matter, to give Mr. Scott the
"opportunity to lay before you the
"information that he has.
"Yours sincerely,
"John Winterayer."

THE COMMISSIONER: What is the date of that?

MR. MacKINNON: August the 1st, 1961. And then there was the reply from Mr. Roberts,

saying that his door was always open, as I understand it, and I believe the evidence has already been given that Mr. Scott did attend at some time at Mr. Roberts' office. I do not know the date.

THE COMMISSIONER: Did this end this correspondence?

MR. MacKINNON: I believe so. With the letter, from Mr. Roberts saying that his door was open - - I do not know whether Mr. Wintermeyer replied to that or not. But I suggest this: That this would have been all cleaned up, and would have been dealt with properly, if Mr. Wilson had followed what he gave me to believe on March the 2nd this year, to be his procedure; and I have a letter dated that date, which stated that the eleventh witness to be called was Mr. Eric Scott. Mr. Eric Scott was not called. On May the 29th, I wrote to you, sir, suggesting a number of names, who had not as yet been called, and amongst them was Mr. Eric Scott. I would like to read to you what I wrote in that letter. I was not concealing anything. My friend knows; he is getting his instruction from the Attorney General's Department. He knows what is going on.

MR. WILSON: Mr. Commissioner, I want to assure you that I was appointed by the

Premier, and I have not been receiving any instruction from the Attorney General's Department as to how I should conduct my work in this matter. And I think that is a highly improper statement for my friend to make. It is rather unworthy of him, too.

MR. MacKINNON: If I may read this it is about the third page of my letter of May the 29th, 1962:

"Scott, as you are aware, attempted "to see the Premier of this Province "and the Attorney General without "success over his concern as to "matters which had transpired in "the O.P.P. and the Attorney "General's office. Mr. Winterneyer "intervened on his behalf and "wrote to both the Premier and the "Attorney General, and, as a result, "Mr. Scott was interviewed by the "Attorney General. It was prior "to the interview and after Mr. Scott "had acted as junior counsel on the "prosecution of Feeley and McDermott "that the Attorney General saw fit "to have a private investigation "made of this member of the bar. "This shows, I suggest, a rather "startling concept of the proper

"administration of justice in the "Province, that must be gone into "in the course of these hearings."

Now, a copy went to Mr. Wilson, of that letter; and this is what I had, and this is what I was telling you, sir.

The only reason Mr. Graham was in the box was, he had these things in his file, and he brought them out and I had not seen that file before.

If there are any other matters that Mr. Wilson wants to put in, I would be happy to have them in.

Mr. Scott obviously knew what had happened; he would have introduced them, but he has not been called, and I asked for him, as recently as May the 29th of this year. I have a more recent letter asking for him.

THE COMMISSIONER: I do not know whether Mr. Scott knew Mr. Wintermeyer had written to the Attorney General.

MR. MacKINNON: I think he did. He was asking Mr. Wintermeyer to intervene so he should have known that.

THE COMMISSIONER: Rome was not built in a day!

MR. MacKINNON: That is right, and we cannot put everything in at the same time.

THE COMMISSIONER: I quite realize that.

And, in due course, Mr. Winterwyer, and the Attorney General and any other persons who had anything to do with the matter will be called as witnesses.

MR. MacKINNON: And Mr. Scott too?

THE COMMISSIONER: And Mr. Scott, too, if he can contribute anything.

MR. MacKINNON: I beg your pardon?

THE COMMISSIONER: If he can contribute anything. Anything that we do not know about. I do not know whether he can, or he can not. We will see. There has to be some semblance of order of the presentation of the evidence. From time to time I have conferred with Mr. Wilson, as to what that order should be, and exercising our best judgment, we have called the witnesses at the times that we thought were the most convenient and expeditious, for the proper investigation of the matters, in sequence, and so on and so forth.

Now then, what is next?

MR. WILSON: I call Mr. McDermott. Not the Mr. Joseph McDermott, but the other one. What is his name? J.P.McDermott.

JOHN F. McDERMOTT, sworn:

EXAMINED BY MR. WILSON:

Q. You are a practising solicitor in the City of Toronto?

A. Yes, I am, sir.

Q. And how long have you been engaged in the practice of law?

A. Since 1952, sir.

Q. And where do you carry on your practice?

A. In Don Mills, Ontario.

Q. Now, we have had some evidence about a meeting that took place inthe office of Mr. David Humphrey at which there were present Mr. Humphrey, Mr. Joseph McDermott, Mr. Vincent Feeley, Mr. John Cronin and yourself?

A. Yes sir.

Q. Now, do you recall the meeting?

A. Vaguely, sir, yes.

Q. Why do you say vaguely?

A. I had been drinking prior to my attendance at this particular office.

Q. Yes?

A. And I was in a confused state of mind, as a result of having consumed - - -

Q. Do you recall how you came to go to Mr. Humphrey's office?

A. Yes.Going back earlier, about two months prior to that time, I had been contacted by the Department of National Revenue.

THE COMMISSIONER: By whom?

THE WITNESS: The Department of National Revenue, concerning some cheques and bank accounts involving Mr.Cronin; and after I received an authorization from the Department of National Revenue, I got out my old files, and I got out my cancelled cheques, and I forwarded them a cheque, which I had issued from my trust account, to Mr. and Mrs. Cronin. And at this time, of course, I believed he was merely being investigated for income tax and I did not relate him as the John Cronin who was involved in this probe. And then, sometime subsequent to that, and I cannot remember exactly, I was phoned, by, I believe, an inspector, or a Sergeant Adair of the Provincial Police and he did not contact me directly; I was away all afternoon and he left two or three messages with my secretary and he mentioned, I believe to her that it was involving John Cronin.

So, at this time, I attempted to phone Cronin at the last phone number I had for him, which was written on my file, and I was unable to contact him.

A. Yes, during been written,

about the author prior to that time, I had

been informed by the Department of Internal

Affairs.

THE CHAIRMAN: Do your

[illegible] The Department of

Internal Affairs, [illegible] and [illegible]

[illegible] [illegible] [illegible] and other

[illegible] [illegible] [illegible] [illegible]

[illegible] [illegible], I was not up and [illegible],

and I did not up [illegible], and I

[illegible] [illegible] a [illegible], which I had [illegible]

from my [illegible] account, to Mr. and Mrs. [illegible],

and at that time, of course, I believed in

[illegible] [illegible] [illegible] [illegible]

and I did not [illegible] [illegible] on the [illegible] [illegible]

was involved in that [illegible]. And then, [illegible]

[illegible] [illegible], and I [illegible] [illegible] [illegible],

I [illegible] [illegible], [illegible], [illegible],

or a [illegible] [illegible] of the [illegible] [illegible]

and he did not [illegible] [illegible] [illegible]. I was

[illegible], all [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] with [illegible] [illegible] [illegible] [illegible],

I believe to [illegible] that it was [illegible] [illegible]

[illegible].

So, at that time, I [illegible] [illegible]

[illegible] [illegible] of the [illegible] [illegible] [illegible] I had

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible], [illegible] I [illegible]

[illegible] [illegible] [illegible].

Subsequently I heard he was to appear before the Commission, and when I got back to my office that day of the meeting in Mr. Humphrey's office, and I had been at a golf tournament, there was a message to phone Mr. Cronin.

I knew I could not reach him at the numberI had, so I phoned Mr. Humphrey and he said that Mr. Cronin would be in his office within the next half hour; if I cared to drop down, which I did.

THE COMMISSIONER: Just a moment. When you got back to your office, from the golf game, there was a message from whom?

A. From a Mr. Cronin, to call a Mr. Cronin.

THE COMMISSIONER: And where to reach him?

A. And not knowing where to reach him, I believed that Mr. Humphrey would know where to reach him; so I telephoned Mr. Humphrey's office. I think this would be about 3:30 or four in the afternoon. And Mr. Humphrey told me Mr. Cronin would be in his office in about half an hour.

I subsequently attended Mr. Humphrey's office and Mr. Peeley and Mr. McDermott - in fact, everyone was there, and Mr. Humphrey asked me upstairs for a drink.

[illegible]

[illegible] I [illegible] to [illegible]

[illegible] the [illegible], and [illegible] I [illegible] [illegible]

[illegible] [illegible] day of the [illegible] [illegible]

[illegible]'s [illegible], and I [illegible] been [illegible] a [illegible]

[illegible]. [illegible] [illegible] I [illegible] [illegible] [illegible]

Mr. [illegible].

I [illegible] I [illegible] [illegible] [illegible] [illegible]

[illegible], [illegible] I [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible]. [illegible] [illegible] [illegible]

within the [illegible] [illegible]. If I [illegible] to [illegible]

[illegible], [illegible] I [illegible].

THE [illegible]: [illegible] I [illegible].

When you [illegible] [illegible] to [illegible] [illegible], [illegible] the [illegible]

[illegible], [illegible] [illegible] I [illegible] [illegible] [illegible].)

A. [illegible] a Mr. [illegible], [illegible]

[illegible] a Mr. [illegible].

THE [illegible]: [illegible] [illegible] [illegible] to [illegible]

[illegible]

Q. [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] him, I [illegible] [illegible] Mr. [illegible] [illegible]

[illegible] [illegible] to [illegible] him. [illegible] I [illegible] Mr.

[illegible]'s [illegible]. I [illegible] [illegible] [illegible]

[illegible] [illegible] or [illegible] in [illegible] [illegible]. [illegible] Mr.

[illegible] [illegible] Mr. [illegible] [illegible] [illegible]

[illegible] to [illegible] [illegible] [illegible].

I [illegible] [illegible] Mr. [illegible]'s

[illegible] [illegible] Mr. [illegible] [illegible] Mr. [illegible] -

in [illegible], [illegible] [illegible], [illegible] Mr. [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible].

MR. WILSON: Q. You had had a few drinks, before you arrived?

A. Yes, I had, yes I had.

Q. Were you in need of another drink?

A. No, I was not, sir.

Q. What do you recollect of what occurred after that time?

A. Frankly, I do not even recollect Mr. Cronin's being there. But it is six years since I had seen him, and from pictures I have seen, and so on, he has put on some weight, and he now weare glasses, and I do not remember him being there at all. I remembered Mr. McDermott and I making some jokes about the similarity of our names, and the problems he was having and so on and so forth, and that is about it.

I do not remember leaving Mr. Humphrey's office at all.

Q It has been said that you talked about some transaction in which you were ~~[illegible]~~ involved, or acting for Cronin, and he had brought in two bags of money totalling $185,000.

A. I do not recall making that statement.

Q. Is that a fact?

A. No, that is not a fact.

Q. And then, it is said that you made some statements about your acquaintanceship with the Commissioner?

A. I have never met the Commissioner to this day, sir, and I have never appeared before him professionally.

Q. And then there is some evidence to the effect that you knew his daughter; the Commissioner's daughter?

A. I do not know this, sir. I have not read the transcript. I only read the newspaper account.

Q Well, did you make such a statement?

A. I do not remember making such a statement.

Q. Do you in fact know the Commissioner's daughter?

A. I do not know sir. I do not know any Miss Roach. It is possible, over a period of the years that I have met a Miss Roach, but I do not know of any Miss Roach now.

Q. Well then, the evidence is also to the effect that you said that the son had got into a lot of trouble in Windsor, and that the Commissioner had - - had - - that this had something to do with business money?

A If I may interrupt you at this point, sir: I doubt very highly that I

Q. Did Henry Ii do what that you had been telling Henry Ii before the transaction?

A. I think maybe not the transaction in that day, also, and I have never suggested before this qualification.

Q. Did Henry Ii take evidence to the effect that you have his daughter? the Commissioner's daughter?

A. I do not know that, and I have not read the transcript. I only read the newspaper report.

Q. Well, did you read that a substantial?

A. I do not remember that a substantial.

Q. Do you in fact know the Commissioner's daughter?

A. I do not know her.

I do not know any that Henry. Ii in particular, only a picture of the person that I have met a time known, but I do not know of any that Henry Ii.

Q. Well then, the evidence is misleading that you would that the not had put into a list of tendered in evidence, but that the Commissioner had - - had - - that this and transaction, to do with a relative.

A. If I may interrupt you on this point, sir. I should just state that I

made this statement, simply because I never knew that the Commissioner came from Windsor, or had any association with Windsor.

Q. Did you ever know the son?

A. No, I did not know the Commissioner had a son.

Q. Or, did you know that the Commissioner left Windsor?

A. I did not know the Commissioner ever lived any place other than Toronto.

Q. Are you saying, in effect, this was a pretty confused evening, as far as you are concerned?

A. Yes, very much so.

(Page 9085 follows)

B/1/WC

Q. Well now, you did act for John Cronin and his wife in regard to a real estate transaction?

A. Yes, sir.

Q. And that involved what property?

A. One property on Piedmont Road in Agincourt and another on Kenneth Drive.

Q. I think that would be Reidmount, 8 Reidmount Avenue, Scarborough?

A. Yes, that would be right. Actually, it is just outside of Agincourt, I believe.

Q. And that would be in September of '54?

A. No, sir, if I can refresh my memory, I think, from my file, it would be around 1956.

Q. Had you acted on the sale or purchase?

A. On both the sale of Reidmount and the purchase of Kenneth.

Q. You are right if you merely acted on the sale of Reidmount. That took place on the 19th of November, 1956.

A. I didn't act on the purchase of Reidmount, which took place approximately a couple of years earlier. Another solicitor named Mr. Lutes, L-u-t-e-s. If I can just refer to my file.

Q. Well now, you did not go down Groom and his wife in regard to a real estate transaction?

A. They did.

Q. Not long interval was necessary?

Q. Was Hotchkiss in Natural Real Estate and selling on Elmwood Drive.

A. I think you could be Hotchkiss. I believe Hotchkiss.

A. Yes, that would be right.

MARSHALL: At at just approx. of intervals, I believe.

Q. And that would be in September of 1967?

A. No, sir, if I can refresh my memory, I think, from my file, it would be March 1967.

Q. Had you moved on the main or Hotchkiss and the purchase of Barnes?

A. On both the main of Hotchkiss and the purchase of Barnes.

Q. Was one right if you merely added on the main of Hotchkiss. You took place on the 1968 of Barnes, 1967.

A. I didn't get on the purchase of Hotchkiss, which took place approximately a couple of years earlier. Another solicitor named Mr. Lukes, Mr-t-e-s. If I can just refer to my file.

Q. He has been referred to in evidence. I do not think we need to go into that. Did you act on the purchase of 1508 Kenneth Drive in Port Credit on behalf of the Cronins?

A. Yes.

Q. And that was the 30th of July, 1956?

A. Actually, to pinpoint the date would be difficult on both these transactions for this reason, on the sale of Reidmount there was a cloud on title which had not been cleared earlier when the title was searched, and when I was arranging the sale, or advising the Cronins re the sale I had to obtain certain declarations from them and from other lawyers to clear this title to the satisfaction of the purchaser's solicitor. And that took a considerable period of time. Almost a month, I believe. I am speaking now partly from memory and partly from notes I have made of copies of letters I have in my file.

Q. I am not too concerned about the exact date.

A. It was around that time. It would be concluded on ---

Q. I understand it required about $12,000 cash to carry out the purchase of the Kenneth Road property?

A. If I may refer to my file again. About $10,500 I think would be a little closer to the figure. The offer to purchase ---

Q. That will be sufficient for my purposes. How did the Cronins provide you with the funds to complete the purchase?

A. I picked up about $1,000 in funds from the sale of Reidmount. The balance of the payment was secured by a promissory note from the new purchase, Mr. Randall. Subsequently ---

THE COMMISSIONER: How much was the note, roughly?

A. I believe $5,000, my lord.

MR. WILSON: Q. Well, as a matter of fact, when you say you picked up a thousand on Reidmount it was, in fact, on the sale of the Scarborough property ---

A. Yes, that is right.

Q. That is the one on Reidmount?

A. Yes, sir.

Q. Apart from that, moneys you got from the sale of Reidmount, in what form did the Cronins give you any moneys that you required to complete the purchase of the Kenneth Drive property?

A. I believe at the time of closing, on the purchase of Kenneth Drive the present Judge Timmins acted for the vendor,

A. If I may refer to my file, about $10,000 I think would be a little closer to the figure. The other is problem —

Q. This will be sufficient for my purposes. How did the company provide you with the funds to complete the purchase?

A. I placed up about $1,000 in funds from the sale of Westbourne. The balance of the payments was secured by a promissory note from the new purchaser, Mr. Hamill. Essentially —

THE COMMISSIONER: How much was the note, roughly?

A. I believe $8,000, my lord.

Q. Mister G., well, as a matter of fact, when you say you placed up a thousand on Westbourne it was, in fact, on the sale of the condominium property —

A. Yes, that is right.

Q. But it was one on Westbourne

A. Yes, sir.

Q. Does this story remove you from the sale of Westbourne, in what form did the income give you and secondly how you required to complete the purchase of the Hamill property?

A. I believe as the time of closing, on the purchase of Hamill being the present Judge Thomas moved for the value,

and because of the delay in picking up funds from the sale of Reidmount they agreed to accept a promissory note from Cronin, for a period of, I believe, of about two months. And Cronin signed this note, and I delivered it to Judge Timmins. And I believe, I believe he had delivered a deed to me at that time. The thing was sort of kept in a static state.

Q. I am not concerned with the details. I want to know what funds the Cronins gave you to complete this transaction.

A. Subsequently they delivered a cheque to me, I believe, I believe payable to Timmins and McDermott, a law firm downtown, or payable to the vendor, a Miss Taylor.

Q. Was that cheque the Cronins' cheque?

A. I can't recall. In other words, I don't know whether Cronin signed the cheque, because I don't remember.

Q. How much was the cheque for?

A. About $4,500-odd. The exact amount is $4,571.92.

Q. And that would be around August 15th, 1956?

A. Yes, correct, sir.

THE COMMISSIONER: That would be the amount required, then, to pay the promissory

and [illegible] are going to provide up funds from the sale of [illegible] may agreed to [illegible] a [illegible] [illegible], [illegible] a period of, I believe, of about two months. And Gordon argued this more, and I delivered it to Judge Thomas. And I believe, I believe he had delivered a deed to me at that time. The thing was sort of kept in a safe place.

Q. [illegible]

[illegible] I would be [illegible] [illegible] [illegible] [illegible].

A. [illegible] [illegible] a change to me, I believe, I believe [illegible] to Thomas and Rosenwald, a [illegible] [illegible] downtown, or payable to the vendor, a [illegible] Trustee.

Q. [illegible]

[illegible]

A. I don't recall. In other words, I don't know whether Gordon signed the check, because I don't remember.

Q. Now there was the change [illegible]

A. [illegible] [illegible] [illegible] [illegible] [illegible].

Q. [illegible] [illegible] [illegible] [illegible]

A. Yes, correct, sir.

The Commissioner: That would be the amount required, then, to pay the purchase

notes?

A. That is correct, sir.

MR. WILSON: Q. Would be $4,571.92?

A. Yes, that is right, exactly.

MR. WILSON: Mr. Commissioner, we find that debit in Exhibit 242-D, the account of Mrs. Marguerite Cronin, account No. 1334, the Bank of Nova Scotia, under that date.

Q. Have you got the cheque on the Reidmount transaction, or the particulars of it?

A. I have it here, sir.

Q. What are the particulars of it?

A. Well, this is a cheque drawn on my trust account with the Dominion Bank, Don Mills branch, dated November the 23rd, 1956. I have a notation in the corner of it: "Balance of proceeds, 8 Reidmount". It is for $933.74, and it was endorsed by John F. Cronin and Mrs. John F. Cronin. And it was cleared through the Canadian Bank of Commerce at the Dixie Plaza, Port Credit, on December 10th, 1956.

Q. Was that the only cash flow from the sale of Reidmount that went to the Cronins?

A. Yes. There was a small amount, one small amount, the return of part of the real estate commission from Brethour and

[illegible]

[illegible]

A. This is correct, sir.

Q. [illegible] be [illegible]

A. Yes, that is right, exactly.

Q. [illegible] by [illegible]

[illegible] MARCH 20-6, the

amount of [illegible] [illegible]

in. [illegible] the [illegible] [illegible]

[illegible]

Q. [illegible] the [illegible]

[illegible]

[illegible]

A. I have it here, sir.

Q. What are the particulars of it?

A. Well, this is a cheque drawn

on my trust account with the Dominion Bank,

Lon Mills Branch, dated November the [illegible],

1946. I have a notation in the corner of

it: "Balance of proceeds, $ Returned". It

is for $[illegible], and it was endorsed by

John [illegible], [illegible] and [illegible], [illegible],

and it was signed [illegible] [illegible]

of Commerce at the Queen [illegible]

Street, on December 20th, 1946.

Q. Was this the only cash flow

from the sale of Burnhamthorpe that went to the

[illegible]?

A. Yes. There was a small amount,

one small amount, the return of some of

the last [illegible] [illegible] [illegible]

Morris. In other words, their deposit was higher than their commission, and they sent me a cheque payable for $25, payable to the Cronins, which I merely mailed to them.

MR. WILSON: We will file that as Exhibit 251.

THE SECRETARY: 252.

THE COMMISSIONER: Proceeds of sale of 8 Reidmount, received by Cronin. What is the date of that?

THE SECRETARY: November 23rd, 1956.

---EXHIBIT NO. 252: Cheque dated Nov.23,1956, Dominion Bank, Don Mills Branch, payable to Mr. and Mrs.John F. Cronin.

MR. WILSON: Q. Well now, am I right in saying that the purchase of 1508 Kenneth Drive, there was a deposit of --- maybe I had better give it to you as I have it.

A. Yes.

Q. The purchase price, $26,500?

A. That is correct.

Q. First mortgage assumed, $9,000?

A. That is correct.

Q. Second mortgage back, $5,500?

A. That is correct.

Q. Balance on closing, $10,500?

A. That is correct.

Q. Now, as I understand your evidence,

morning. In other words, your account was either your lack-conditioning and that even on a glorious prayable for 20's, regards to the Counting, which I merely called to them.

MR. KIRKPATRICK: We will file that as Exhibit 20A.

THE CONSTABLE: Exh.

THE COMMISSIONER: Inventory of main of 8 bedrooms, occupied by Grounds. Here is the date of chart

THE SECRETARY: Exhibit 20A, 1937.

(Exhibit 37-A, 20A) Inventory dated Nov.23,1929, Bedroom Suite, Two extra Dressers, purchd. on 8v. Last Pr.Jdmn 2. Grounds.

MR. KIRKPATRICK: Q. Well now, as I right in saying that the payment of the Dressers during, there was a deposit of ---- maybe I had better give it to you as I have it.

A. Yes.

Q. The purchase price, $45.00?

A. That is correct.

Q. There morrgage assumed, $4,000?

A. That is correct.

Q. Second morrgage item, $3,500?

A. That is correct.

Q. Balance on closing, $10,500?

A. That is correct.

Q. Now, as I understand your evidence,

you have accounted for a cash flow of $4,000?

A. That is correct.

Q. How do we account for the balance of $8,000?

A. Well, I am only - I would only be guessing, sir, but I think it would be a safe guess to assume that Cronin delivered me a cheque, certified, probably, payable to the vendor or the vendor's solicitor. And the reason I usually requested a cheque in this manner was that due to the fact that my practice was small and I didn't have any secretarial help at that time. This cut down my bookkeeping entries and so on. In other words, instead of having the funds payable to my trust account, and me issuing out a cheque later to the other solicitor, I usually instructed my clients to issue the cheque directly to the vendor or the vendor's solicitor.

Q. Well, there is no question but that you required, or he required about $12,000 to close the transaction?

A. That is -- I would say about $10,000.

Q. Well, I am adding in the $1,500 deposit.

A. Yes, the deposit, that would be correct.

Q. And did he give you any part of

these funds in cash?

A. Not to my recollection.

Q. If he had, would they have gone through your trust account?

A. Yes, it would have had to.

Q. Is there any record of any cash ---

A. No.

Q. -- in this transaction from him going through your trust account?

A. No, sir, there is not.

Q. But you haven't any particulars for any cheque for the other $8,000?

A. No, sir, I don't. I know my practice generally was to have the client make the cheque payable to the vendor or the vendor's solicitor, for the reasons I mentioned to you.

MR. WILSON: That is all, thank you.

B/2 THE COMMISSIONER: Any questions, Mr. MacKinnon?

EXAMINED BY MR. MacKINNON:

Q. Did you know Mr. Joseph McDermott prior to this visit to Mr. Humphrey's office?

A. No, I had never met him.

Q. You had never met him?

A. No.

Q. And did you know how Mr. Cronin happened to come to your office, or who introduced him to you?

A. Actually ---

Q. When he first came to your office?

A. Yes. Actually, I believe I was practising from a shack which was the only office space available at that time in Don Mills, and I believe Mr. Cronin phoned me early one morning -- when I say "early", I mean around nine-thirty -- and asked me if I would handle a real estate transaction for him. And I think later on, within an hour, something like that, he dropped in the offer of purchase in my office and I proceeded with the transaction.

Q. In other words, it was no one introduced him to you or recommended you to him?

A. Not to my knowledge.

Q. And you didn't know Mr. Feeley?

A. No.

Examination by Mr. Bernstein:

Q. And you know Mr. Jacobson personally prior to late 1[illegible] in Mr. Dembowski's office?

A. No, I had never met him.

Q. You had never met him?

A. No.

Q. And did you know how Mr. Jacobson happened to come to your office, or who introduced him to you?

A. Absolutely —

Q. When he first came to your office?

A. Yes. Absolutely, I believe I had graduated from a phase which was the only office space available at that time in Don Mills, and I believe Mr. Jacobson phoned me early one morning — when I say "early", I mean around nine-thirty — and asked me if I would handle a real estate transaction for him. And I think later on, within an hour, something like that, he dropped in the office of premises in my office and I proceeded with the transaction.

Q. In other words, it was he who introduced him to you or recommended you to him?

A. Not to my knowledge.

Q. And you didn't know Mr. Jacobson?

A. No.

EXAMINED BY MR. ROSE:

Q. Just shortly, Mr. McDermott, I gathered in regard to this meeting with Mr. Feeley and Mr. McDermott, who were present with Mr. Cronin, you don't remember too much about what was said?

A. That is correct, sir.

Q. And you say that you feel you said you knew the Commissioner, even though you didn't know him?

A. I don't think so, sir. I don't recall any part of the conversation. I had a talk with Mr. Humphrey for about twenty minutes or half an hour before Mr. McDermott and Mr. Feeley came in, and certainly Mr. Cronin. I don't recall whether Mr. Humphrey did or not, but, well, it was the main thing I can remember, we were all making a ~~jamm~~ joke about the similarity of names. And that is all. I don't recall the Commissioner's name being mentioned at any stage of the conversation. But I must admit I had too much to drink.

Q. Are you saying you didn't mention these matters concerning the Commissioner and his family, or that you don't recall mentioning them?

A. Well, I am saying I don't recall any part of the conversation concerning

the Commissioner.

Q. Now, you say you were a little under the weather, were you?

A. Yes, I was.

Q. And I believe you told my friend, Mr. Wilson, that this business about delivering to you $185,000 in cash in a couple of paper bags, in a paper bag, did you say that?

A. I don't recall saying that, no, sir.

Q. Would there be any reason for you saying that?

A. No, sir. As a matter of fact, I doubt very much this part of the thing, simply because it is fantastic.

Q. You know Mr. Sol A. Gebirtig?

A. Yes, I know Mr. Gebirtig.

Q. And, as a matter of fact, the night before this meeting in Mr. Humphrey's office, you were at the Seaway Hotel?

A. Yes.

Q. And you met Mr. Gebirtig and his wife in the Seaway Hotel?

A. Yes.

Q. That night you were sober?

A. I don't think I met Mrs. Gebirtig.

Q. Well, you were in good condition that night, I presume, the night

Cross-examination.

Q. Now, you say you were a little under the weather, your good

A. Yes, I was.

Q. But I believe you said on Friday, Mr. Adams, that your business amounts delivering to you $15,000 in cash in a bag or paper sack, in a week? Is that the

A. I don't recall saying that, Mr. Kay.

Q. Shall I have it my reason

for your saying that?

A. No, sir. As a matter of fact, I didn't very much this part of the charge, simply because it is fantastic.

Q. You know Mr. Col A. Ostrander?

A. Yes, I know Mr. Ostrander.

Q. And, as a matter of fact, the night before this meeting in Mr. Ostrander's office, you were at the Grand Hotel?

A. Yes.

Q. And you met Mr. Ostrander and his wife in the Grand Hotel?

A. Yes.

Q. Was right you saw Ostrander?

A. I don't think I met Mr. Ostrander.

Q. Well, you were in your

condition that night, I believe, Mr. Adams?

before?

A. Well, I might not have been, I don't recall.

Q. Did you not say to Mr. Sol Gebirtig in the Seaway Motel the night before about Cronin, that Cronin had delivered $185,000 in cash in a paper bag to your office, and it took you and your secretary two weeks to count it?

A. No. The only conversation I had with Mr. Gebirtig about Mr. Cronin on that evening was I told Mr. Gebirtig that I had believed Mr. Cronin was a motel owner. And he said, "Where was the motel?" and I said I believed down in Kingston. And he asked me what he paid for it. And I said I believed around $185,000, but I didn't know because I didn't handle the transaction for him.

Q. And was that the only discussion concerning money in connection with the ---

A. No, actually I met with Mr. Gebirtig to discuss another client.

Q. Was that the only conversation with Mr.Gebirtig about Cronin bringing in any money, or any money in connection with Cronin?

A. Yes, I believe that is correct.

Q. When you went up to this meeting

in Mr. Humphrey's office, as a matter of fact, what happened, Cronin, McDermott and Feeley were already there sitting upstairs at this coffee table when you came in with Mr. Humphrey?

A. No, I believe Mr. Humphrey's office is in an old house, is it not? And I believe we walked up to the third floor. There was a receptionist down on either the first or the second floor. And Mr. Humphrey and I sat down. We were only there, as I say, a few minutes when Mr. Feeley and Mr. McDermott came in, and I was introduced to them. That is my recollection. I think I was there first, and they came in, you know, a short time, let's say fifteen minutes, ten minutes later.

Q. If the statements that you say you evidently could not have made in front of Cronin, Feeley and McDermott -- you read, of course, that Cronin said these statements were made?

A. Yes.

Q. How do you account for that at all, have you any explanation why Cronin would say that?

THE COMMISSIONER: What statements, concerning myself?

MR. ROSE: Concerning you, sir.

THE WITNESS: I don't know. I can't

understand (a) what advantage it would be to him; or (b) I have no evidence I can give against Cronin. As far as I was concerned he was a motel operator and he bought a house and sold a house. That is all I ever knew about him.

THE COMMISSIONER: Mr. Rose asked you about the statements concerning me and my family. You never met me before in your life, as far as I know?

A. No, sir, I have not.

Q. Do you ever remember meeting any of my family?

A. No, sir, I do not know who your family is. I don't know where you live.

MR. ROSE: Q. I wonder why Cronin would say these things under oath.

A. I am not denying, I am not denying. I am just saying I don't remember. I was intoxicated. I had several drinks at the golf course, I had several drinks, or two or three drinks, anyway, I believe, in Humphrey's office. And what I am saying, I don't remember any part of the conversation. I remember meeting them. I remember that Mr. -- I 'm not sure whether it was McDermott or Feeley had on a light summer suit, it was unseasonably warm, and I admired the suit. And there was the joke going on

about the name McDermott. It was a party atmosphere. And that is all I remember.

THE COMMISSIONER: Did you know Mr. Humphrey before?

A. Yes, he graduated roughly the same time I did.

MR. ROSE: Q. He graduated in 1952?

A. He was somewhat earlier than I.

Q. There was some joke about a name?

A. Yes. I made the joke about I wished I had changed mine, and he laughed.

Q. Did you not have some difficulty in New York City being taken off a plane because of a similarity of the name McDermott?

A. No.

MR. ROSE: All right, that is all, thank you.

MR. WILSON: No further questions.

---The witness retired.

MR. WILSON: Mr. MacKinnon, I think if you want to deal with that.

MR. MacKINNON: I think in fairness to Mr. Frost's complaint, and maybe Mr. Scott will be complaining, the Telegram is in and I think in fairness to Mr. Scott, I have

a copy of a letter - I thought my friend might have the original - written on July 7th, 1961 to the Honourable Leslie M. Frost, from Eric Scott. I think your lordship will appreciate this was after he tried to see the Premier. He then wrote a letter. He made this after that time, and says:

"Honourable Sir, ---"

THE COMMISSIONER: What is the date?

MR. MacKINNON: July 7th, 1961.

MR. WILSON: I think if my friend wants Mr. Scott to come here and give evidence --

THE COMMISSIONER: Let me see it.

MR. MacKINNON: Why bother with the other telegrams and letters, then?

MR. WILSON: I think the trouble startdd with the first letter going in on a questionable basis.

THE COMMISSIONER: For what it is worth.

MR. MacKINNON: May I read it in, then?

THE COMMISSIONER: Yes.

MR. MacKINNON: (Reading):

"Honourable Sir, ---

" I am a lawyer and have

"done some work for the Crown

"in recent bribery trial, Regina

"vs. Wright, et al. In the
"course of this work I came
"across what I believe to be
"strong evidence that
"corruption exists in the
"Attorney-General's Department.
" I attempted to see you
"on Thursday, June 29 last,
"but was referred to Mr. McIntyre,
"to whom I conveyed the above
"information.
" I had hoped that you would
"have called me in to see you
"before now.
B/3 " I will be available any
"time next week with the exception
"of Tuesday and Thursday afternoon.
" I remain, your obedient
"servant,
" 'Eric Scott'"

THE COMMISSIONER: Better make that part of Exhibit 249, so we will have all the correspondence together.

---EXHIBIT NO. 249-D: Letter dated July 7,1961, to Hon.Leslie M.Frost, from Eric Scott.

THE COMMISSIONER: All right, next witness.

MR. WILSON: I will call Mr. Cronin.

JOHN FRANCIS CRONIN, Recalled

EXAMINED BY MR. WILSON:

Q. Did you hear the evidence of the last witness?

A. No, I did not, sir.

Q. Well, he has told us that he acted -- that is, John J.P. McDermott ---

A. That is right, sir.

Q. That he acted for you on the sale of 8 Reidmount Avenue and the purchase of 1508 Kenneth Drive?

A. That is right, sir.

Q. And that he says in order to carry out the purchase of 1508 Kenneth Drive, it required about $12,000, including the deposit from you and your wife, to complete the transaction?

A. That is right, sir.

Q. And he says that he got one cheque for $4,500-odd, which we have traced into Mrs. Cronin's account. And that leaves roughly another $7,500 to account for, which he says he received in the form of a cheque payable either to the solicitors for the vendor or the vendor herself. Now, does that help you recollect the manner in which you paid for the -- paid the cash portion of the purchase of the Kenneth Drive property?

A. No, it does not, sir.

Q. It does not at all?

A. It certainly doesn't if you say there was a deposit of $4,500.

Q. A deposit of $1,500 and it required $10,500 to complete the transaction.

A. Right, sir.

Q. On closing.

A. I understood you to say there was a cheque for $4,000 ---

Q. We have accounted for ~~$4,000~~ $4,571.92.

A. Mr. Wilson ---

Q. It went through your wife's account, 1334, in the Bank of Nova Scotia.

A. I don't recall it. But would it not possibly be a deposit that day, if it was, would it not be deposited about the same day it was paid out?

Q. You misunderstand me.

THE COMMISSIONER: You don't understand. There was $1,500.

MR. WILSON: Q. There was $1,500 deposit, and it required another $10,500 to complete the transaction when you got a conveyance of that property from your solicitor?

A. Right, sir.

Q. We have accounted for $4,571.92.

THE COMMISSIONER: We know where that

came from.

MR. WILSON: Q. We know that came out of your wife's account.

A. Right, sir.

Q. The witness McDermott said the balance came to him in the form of a cheque payable either to the solicitors for the vendor or the vendor herself. Now, that would be roughly in the amount of or the order of $7,500. And what I am asking you, on what account was that cheque drawn?

A. None, sir.

Q. What do you say was the source of the form in which that $7,500 was paid?

A. It would have to be cash. And I, to be honest, I didn't know there was a cheque --- That is what I mean. Have you checked that cheque?

Q. Never mind that cheque. Just get your story on the cash. You say - it is $7,500, more or less, approximately that amount.

A. Right, sir.

Q. And you are swearing as you gave to McDermott $7,500 cash to close the transaction?

A. I don't recall giving him $7,500 cash. As a matter of fact, Mr. Wilson, and I have never called anybody about

this, I know I was somewhat short about this, I know I had to give Mrs. Taylor - and I never talked to her - a note for the balance.

Q. We know that. But it still required $7,500 to complete it.

THE COMMISSIONER: $7,500 to discharge the note.

MR. WILSON: Q. The note formed part of the $7,500.

A. Yes, that is right.

Q. And the note was in the form of $4,500?

A. I don't know.

Q. You say any balance, apart from the cheque that went from your wife's account, was in the form of cash?

A. Mr. Wilson ---

THE COMMISSIONER: Q. Is that what you say?

A. To the best of my recollection, I think it was. I naturally thought it was all cash. I didn't know there was $4,500. I had forgotten. I think it is fair to assume that this was just deposited and the cheque issued. It seems I probably gave the wife ---

MR. WILSON: Q. Don't get confused, you are not that stupid. This was a cheque that was used by your wife and yourself on your

wife's account to pay part of the balance required to complete the purchase?

A. Right, sir.

THE COMMISSIONER: What he is suggesting to you is that cash for about that amount of money was deposited, you say the day before?

A. I don't know, Mr. Roach. I am not sure whether or not we had $4,500. It was possibly just put in two or three days before that.

MR. WILSON: Q. Yes. As a matter of fact, in that account, it is not anything to help us to solve the riddle of the balance, there was in fact a deposit of $6,650. on the same day, August 15th, 1956, in that account.

(Page 9107 follows)

c/1/sc

A. Mr. Wilson, I am at a loss to explain. I do not know - I didn't know we had that amount, an amount like that - honest to God, I did not know. Please go back a week before and see if there was $2,000 or $1,000.

Q. It is not going to ~~sk~~ help us. That is all the money that went through that account for the use for the purchase, to apply to the purchase of this property. You have told us there was no difference between that figure, and the amount required to close it, in the form of cash.

THE COMMISSIONER: Q. Is that what you say?

A. I do, sir.

MR. WILSON: Q. And it was in cash that you gave it to Mr. McDermott?

A. I would turn it over to Mr. McDermott or my wife, but I think it was Mr. McDermott himself.

Now, if you will only listen, please. I have testified that I had no amount like that in. I did not know I had. Is it all right to ask if it was built up, that money, one week before that transaction.

Q. I can tell you ---

THE COMMISSIONER: The same day.

MR. WILSON: Q. The same day a cheque was drawn for $4,571.92. There was a

deposit of $6,650, and that was August 15, 1956. You say earlier - as a matter of fact, it was July 27, and there was a deposit of $1,009.87, and a cheque was drawn for $1,000.

A. Drawn out?

Q. Yes, the same day.

A. I think ---

Q. That is not going to help us to account for cash of $7,500. Now, now, you had a telephone call this morning, I am instructed?

A. I did, sir.

Q. Right here on this floor?

A. Yes.

Q. And from whom?

A. I don't know. I don't know. He said that it was a Mr. Quigley.

THE COMMISSIONER: Q. Quigley?

A. Yes, that is right.

MR.WELSON: Q. And you do not know ---

A. If I never get out of this box, I don't know who it was. I have no idea who it was and I did not like it. I had no part of it.

THE COMMISSIONER: Q. You had no part of what?

A. The phone call.

MR. WILSON: Q. Well, you had this phone call from Mr. Quigley, and what was

it about?

A. Yes, I had this call - somebody told me that I was wanted long-distance on the phone. The first thing that came to my mind was that it was the motel. I spoke on the phone and a man said, "Long-distance", and he started saying something about - I hung up.

Q. The man said"this is long-distance"?

A. Yes.

Q. That was the man you were talking to?

A. Yes.

Q. And where was it from?

A. I don't know. I have no idea.

Q. You did not talk to the operator, you say you talked to the man?

A. There was no operator. I don't know.

Q. Did he say where he was?

A. No.

Q. And what was he telling you?

A. Mr. Wilson, I had no part of it. The man came and got me and ---

THE COMMISSIONER: Q. You have told us that. Now, you answered the phone?

A. I did.

Q. And what did the man on the other end of the phone say?

A. He said: "You are a witness there today. You tell this Commission what is going on. Tell this Commission what is going on. You know what is going on." It was something to that effect. I asked, I asked what his name was and he said his name was Quigley, and I said I didn't know him, and I put the phone down. I told him not to call me. I did not know him. They were words to that effect. I told him I didn't know him. I hung up.

MR. WILSON: Q. That is all there was to that?

A. Yes, it is.

Q. Well, now, there is just one further point that I am going to ask you about.

A. May I say this, sir. Until they called my name I have kept my word and I have not talked to anyone on the phone directly or indirectly until that happened.

THE COMMISSIONER: Q. You have no idea who it was?

A. No, I have no idea who it was.

Q. Or where he was calling you from?

A. No, sir, I do not know. I did not recognize the voice. It was not the voice of an acquaintance of mine that

Q. So said: "You are a witness from Yancy. The will that Grantham made is going on. The will that Grantham made is going on. Mrs Grant wants to getting on." It was something to that effect. I asked, I asked what his name was and he said his name was Gallery, and I said I didn't know him, and I put the phone down. I told him not to call us. I did not know him. They were words to that effect. I told him I didn't know him. I hung up.

Q. Witness G. Did to all those you to speak?

A. Yes, it is.

Q. Well, now, where is your further proof that I am going to say you speak.

A. May I say that, sir. Since they called my name I have kept my word and I have not talked to anyone on the phone therefly or indirectly about this business.

The Commissioner: Q. You have to give you to work.

A. No, I have to take what it is.

Q. Do where he was calling you.

Evidence

A. No, sir, I do not know. I did not recognize the voice. It was not the voice of an acquaintance of mine that

has changed his voice, I am sure of that.

MR. WILSON: Q. One further point. In your talk with Mr. Wood at Port Hope, did you tell him that you had just come back from an extensive trip in the United States?

A. Mr. Wilson, I did not.

Q. Did you - had you taken an extensive trip through the States in about August of 1954?

A. I do not recall, sir. But as far as that, I would like to say, Mr. Wood said I stopped in at his place when I was on my way to take over the motel. That is how I read it in the paper --

Q. Never mind what the paper said. You just tell us what the facts were. Had you just been on a trip?

A. I do not recall.

Q. You do not recall?

A. I tell you I didn't - 1954, did you say?

Q. When did you buy your 1955 Buick?

A. In 1955.

Q. Not until 1955?

A. No, sir.

Q. In what part of the year did you buy your 1955 Pontiac? (sic)

A. I didn't have a 1955 Pontiac.

Q. You have just said that you did, in 1955.

THE COMMISSIONER: You said Buick.

MR. WILSON: Oh, did I say Pontiac - I guess I am getting tired, but they are all in the General Motors family?

A. Yes.

Q. When did you buy your Buick, what part of the year?

A. I do not know, sir. I do not know when I bought it - it was in 1955 - I think it would be in May or June.

Q. And how much did you pay for that?

A. Thirty-eight-something - $3,800 and something.

Q. $3,800?

A. That is right, sir.

Q. And you certainly did not make that out of what you drew out of the motel operation up until that time?

A. Mr. Wilson, I do not know exactly where the money came from, but I can tell you it came from no illegal activity, I can tell you that.

Q. It came from some money you had somewhere?

A. That is right, sir.

Q. In the ground or ---

A. A transaction, a real estate

transaction - whatever it would be.

Q. And did your wife also have a car?

A. Yes, she had a 1956 Dodge.

Q. When did she first buy a car?

A. In 1956.

Q. And did you buy it for her?

A. Yes.

Q. And how much was it?

c/2 A. I think it was $3,200 - I thought I told you - Mr. Wilson, can I speak on that for just a moment?

THE COMMISSIONER: You can say anything you like.

A. In regards to what Mr. Wood suggested, that I told Wood about being on an extensive trip. I think he said it was in August of 1954. When I went to the motel, I did not come back home, I just stayed there for six months and I never left it - I shouldn't say I never left it, I might have gone into Kingston, but I had no trip, no holidays. We worked until the fall of that year. That was the first time that I took off to come home. We worked, I worked all that winter. There was a lot of work to do to improve the motel. I did not take any trips.

MR. WILSON: Q. Well, that has taken a lot of talk to explain it. In 1954

you had a Pontiac?

A. 1954, yes.

Q. And in 1956 you bought a new Buick?

A. No, 1955.

Q. 1955?

A. Right, sir.

Q. And in 1956, your wife got a new Dodge?

A. Right, sir.

Q. We will probably want you to come back so that we can go into some of these other matters.

MRx

EXAMINED BY MR. MacKINNON:

Q. Just a few questions. You forgot to tell us about the Buick yesterday when I was cross-examining you, didn't you? You stated, and I am reading from page 8977, you told me about the 1952, and then my question at the bottom of the page:

"Q. Then, when did you buy "your next car?

"A. '56, sir.

"Q. What kind of car did you "buy then?

"A. A Dodge."

You had forgotten completely about the Buick?

A. Honest, I did.

Q. And how many other cars did you forget about?

A. You didn't ask about other cars.

THE COMMISSIONER: You are being asked now.

A. I will tell you.

MR. MacKINNON: Q. Well ---

THE COMMISSIONER: He is going to tell you.

A. 1958, 1959 and 1960.

MR. MacKINNON: Q. You bought a new car each time?

A. Yes.

Q. And between 1944 and 1950 you did not?

A. No, sir.

Q. 1950 was your first new car?

A. Yes, I bought it at Hogan's.

Q. And 1952 was the next one, you did not get a car in 1951?

A. No, sir.

Q. And you did not buy a car again until 1954?

A. 1953.

Q. Not ---

A. Just a minute.

Q. You said 1955, you are changing it?

A. No, 1955.

Q. Between 1952 and 1955 you did not have a new car?

A. No, I did not, sir.

Q. You bought another one in 1956?

A. Yes.

Q. And you said your wife quit work in 1953?

A. Yes.

Q. You did not tell us that she was on a European trip in 1953.

A. Yes, I did.

THE COMMISSIONER: No, you did not.

MR. MacKINNON: Q. You did not.

A. The first day, I did.

THE COMMISSIONER: No.

MR. MacKINNON: Q. I am afraid I do not recollect that.

THE COMMISSIONER: No, I do not have any recollection of that.

THE WITNESS: I recall saying that my wife worked until she went overseas.

MR. MacKINNON: Q. That is the first mention I have heard. Where did she go to?

A. To Belgium.

Q. And how long was she there for?

A. Just a minute.

Q. You said Line, you are changing

Line?

A. No, Line.

Q. Between Line and Line? Was you

not have a new card?

A. No, I did not, sir.

Q. You brought another one in Line?

A. Yes.

Q. And you made your note that

work in Line?

A. Yes.

Q. You did not write in that also

was on a Saturday in 1952?

A. Yes. I did.

MR. [illegible] Mr. [illegible]

MR. [illegible] A. Yes that was.

A. Yes Every day, I did.

MR. [illegible]

MR. [illegible] Q. I am asking I am

not [illegible] time.

MR. [illegible] Mr. I do not know

any association of that.

MR. WEINGARTEN: I should [illegible] know

if this witness would use that [illegible].

MR. [illegible] Q. Just in the

final question I have heard. Where did you

go to?

A. To [illegible].

Q. And how long was you there that

A. May until September.

Q. And did she take your family?

A. Yes.

Q. May until September?

A. Yes.

Q. That was after you were advised that you were going to be transferred out of the branch - oh, no, of course, this is before, before. This is 1953?

A. Yes.

Q. And how much did that cost?

A. $700.

Q. That is the flat rate - did she go by sea?

A. Yes. That is not the rate on the ship. Approximately $700 she spent.

THE COMMISSIONER: Q. Approximately $700?

A. Yes.

Q. For a trip overseas?

A. She was with my sister-in-law, she stayed at her home when she stayed there.

Q. This is May to September?

A. Yes, sir.

MR. MacKINNON: Q. And your son was nine at the time?

A. Yes.

Q. According to the birth date that you have given us?

A. Yes.

Q. And you say you believe it cost $700?

A. $700, $750, something like that, sir.

THE COMMISSIONER: Q. Where in Belgium?

A. Brussels, sir. She stayed in my sister-in-law's home.

Q. You have a sister-in-law who lived in Belgium at the time?

A. Yes.

MR. MacKINNON: Q. Did she spend all of the time, did they spend all of their time in Belgium?

A. No.

Q. They travelled around Europe?

A. Not around Europe, but they travelled around.

Q. Did they go to England?

A. No, sir.

Q. Did they go to France?

A. Yes.

Q. Did they go to Switzerland?

A. I think they went to France on the way there, I think first.

Q. Did they go to Italy?

A. No.

Q. Or Austria?

A. I don't think so.

Q. I take it that the money came out

of your wife's savings?

A. Out of our savings.

Q. Incidentally, did you show your wife as a dependent on your income tax return?

A. When is that for, sir?

Q. When you were employed by the Ontario Provincial Police?

A. I do not know whether I showed her as a dependent. I do not know what you mean. Whatever way I filed my income tax, that is the way I filed it. I took the papers down to the Income Tax Department, and I sat down there with the people there, and they figured it out for me, and I paid it.

Q. Why go to all that trouble? Most people do not usually go down to the Department.

A. Well, there is quite a line-up if you don't go down ---

Q. Did they ask you to go down?

A. No, I went down every year. I went into the office, and paid my income tax.

Q. That is deducted, you told us yesterday that it was deducted?

A. Well, as I say, I had to pay more because my wife was working. Now, listen - I had to pay more for her.

Q. Then you must have shown her as a dependant, then. She did not file a separate return?

A. I don't know what that is about. I paid, I paid the income tax.

Q. Well, we will find out, we will be finding out.

A. I paid them.

Q. The income tax people are now investigating your earnings?

A. That is right, sir. I told this to the income tax people.

Q. And didn't you own property on Felstead Avenue?

A. No, sir.

Q. You never did own that?

A. That is the first place I bought.

Q. Before Pape Avenue?

A. Yes.

Q. When was that bought, 1946, was it?

A. I think 1946 was Pape.

THE COMMISSIONER: ~~Q.~~ He told

C/3 us about that.

MR. MacKINNON: Maybe he did, but it did not sound familiar to me.

THE WITNESS: I couldn't think of the name of the street.

MR. MacKINNON: Q. That is it?

A. Yes.

Q. There was some peculiar name - Frazzell - I think.

THE COMMISSIONER: He thought of it afterwards.

MR. MacKINNON: Q. That is the first paid piece of property you bought?

A. Yes.

Q. You did not know what it was and you know now that it was Felstead?

THE COMMISSIONER: You thought Frazzell.

MR. MacKINNON: That is what threw me off.

MR. ROSE: No questions. Thank you.

MR. WILSON: Just a minute. Just a minute. Didn't you tell Sergeant Anderson that your wife was working to save enough money to make this trip?

A. I do not recall that, sir.

Q. If he said that you did, do you say it is not right?

A. No, I would not say - if Mr. Anderson said that, then I said it.

Q. If she was working to save money to take this trip, she couldn't be supporting you and herself, could she?

A. Well, certainly - the money was paid, she didn't bum her way over there. It was from what she earned or I earned, an accumulation, whatever way you want to put it.

Q. That is all.

That is all the witnesses I have for today, sir.

MR. MacKINNON: I wonder, sir, what the effect is - this 249-D from Eric Scott, the letter dated July 7th, to the Premier. My understanding is that there was no reply to that letter. I take it ---

MR. WILSON: My friend introduced something. I do not know anything about it.

MR. MacKINNON: My information is there wasn't, and that is why he went to Mr. Wintermeyer. I have not seen any.

THE COMMISSIONER: Is that all the evidence for today?

MR. WILSON: That is all the evidence for today, sir.

THE COMMISSIONER: Yes. Then, we will adjourn sine die. We will adjourn sine die and we will probably resume on or about the middle of August.

MR. MacKINNON: I am sorry, sir.

THE COMMISSIONER: We will adjourn sine die, and I said we will resume at a date I will later fix, but not earlier than the middle of August.

---Whereupon the hearing adjourned sine die.

[illegible]

[illegible] Does he well.

Mr. [illegible] Not as all the witnesses I have for today, sir.

Mr. [illegible] I wonder, Judge, would the witness be - this is a Crown brief, Judge, the Crown called Gary Tan, to the witness. My understanding is that Shane was to testify to that Saturday. I think it -

Mr. [illegible] My friend [illegible] mentioned. I do not know regarding Shane.

Mr. [illegible] My information is that [illegible] and that he may be [illegible] Mr. Hunter[illegible]. I have not been [illegible] [illegible] in that [illegible] all the witnesses for today.

Mr. [illegible] Then is all the witnesses for today, sir.

The [illegible] Yes. Well, we will adjourn then. We can do well proceed by phone on the [illegible] of [illegible].

Mr. [illegible] I am sorry, sir.

The [illegible] We will adjourn then, and I hope we will resume on a date I will have [illegible], and we [illegible] the [illegible] of [illegible].

[illegible] [illegible] [illegible].

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Bryce Commission Volume

Monday August 27/62

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A/FTP/1

MONDAY, AUGUST 20, 1962

---On resuming at 10.05 a.m.:

MR. WILSON: I will call Mr. Feeley.

MR. BREWIN: Mr. Commissioner, I wonder if, before the next witness is called, I might speak to a matter. I did write to you, sir, about it.

THE COMMISSIONER: I have just finished heading your letter.

MR. BREWIN: You probably have not had time to go into it, but I do think it important that there be given by Commission counsel some outline of the proposed course of the Commission, who are likely to be witnesses.

It seems to me that the last point of inquiry that you had been asked to make is as to the extent of crime in Ontario and the sufficiency of the law enforcement agencies to deal with it. I wondered if there was to be some definition of that. It seems so extremely broad that I was wondering if there were some indication of what aspects of the extent of crime and the sufficiency of the law enforcement agencies to deal with it, the extent of inquiry that was anticipated under that head, because it is directed to something that could keep you busy for the rest of time, I would think.

THE COMMISSIONER: Almost until Gabriel blows his trumpet.

MR. BREWIN: Precisely. I was wondering if there was some thought of dealing with some particular aspect of the matter, and if we could be given some insight into that.

THE COMMISSIONER: I will arrange a meeting with all counsel, perhaps to-morrow.

MR. BREWIN: Thank you very much, sir.

MR. ROSE: One other matter, Mr. Commissioner, before Mr. Feeley is called. As you are aware, I am counsel for Vincent B. Feeley and was, of course, instructed by Mr. Feeley that he would be the next witness.

Having regard to certain information which has come to the attention of Mr. Feeley, and having regard to the specific instructions which he has given, I now call into question, sir, your jurisdiction to sit as Commissioner in these proceedings, due to the fact that having regard to the power vested in you under The Public Inquiries Act, and due to the judgment of the Ontario Court of Appeal in respect to the motion which was argued on 7th May of this year, that it is alleged by Feeley that contrary to both the Statute and the judgment, you have been holding secret hearings in respect of the two witnesses who have given evidence secretly concerning not only Vincent B. Feeley but also Joseph

McDermott.

This application, as I have mentioned, is being made on behalf of Feeley under specific instructions.

Now, in the event that it should be a fact that secret hearings of this Commission have been held without notification to either Feeley or to his counsel and without right of counsel to be there, as set forth by the Ontario Court of Appeal, it would be submitted that this is an excess of jurisdiction in a procedural matter which would lead to a loss of jurisdiction.

I have an affidavit of Vincent B. Feeley sworn to this morning. The contents of that affidavit, sir, are as follows ---

THE COMMISSIONER: Have you got a copy?

MR. ROSE: Yes.

MR. WILSON: Have you got a copy for me too?

THE COMMISSIONER: Read it.

MR. ROSE: The first six paragraphs, sir, are formal matters dealing with the appointment of you as Commissioner, certain proceedings that took place in front of this Commission, dealing with the fact that Feeley was subpoenaed on 12th March; that public hearings commenced on 20th March, and on 29th March he retained myself as his counsel.

Paragraph No. 6:

"By a written judgment of the "Ontario Court of Appeal, it was ordered "that my counsel be allowed to have "status in this inquiry on my behalf "as asked by me, and the said Ontario "Court of Appeal stated:

"'It is only fair and just that "they should be afforded an "opportunity to call evidence, "to elicit facts by examination "and cross-examination of "witnesses and thus be enabled "to place before the Commission "of Inquiry a complete picture "rather than incur the risk of "its obtaining only a partial "or distorted one. This is a "right to which in my view they "are fairly and reasonably "entitled and it should not be "denied them. Moreover, it is "no less important in the public "interest that the whole truth "rather than half truths or "partial truths should be "revealed to the Commissioner.

"'Any suggestion that the "examination and cross-examination "of witnesses by counsel for the

"'Commission and more particularly
"by counsel for the two political
"parties, is adequate to elicit
"all relevant facts concerning
"the applicants, against whom
"so much incriminating evidence
"is being accumulated and widely
"circulated, fails to carry
"conviction.'

"7. Pursuant tothe Order of the said
"Court of Appeal my counsel appeared
"throughout each and every day of the
"hearings before the Commissioner and
"exercised his right to cross-examine
"those witnesses he thought it was
"necessary to cross-examine.

"8. On the 7th day of June, 1962,
"upon the application of my counsel,
"the Commissioner stated a case to the
"Ontario Court of Appeal which on the
"11th day of June, 1962, answered in
"the negative the questions therein
"contained, and on the same day a
"motion was filed for leave to appeal
"to the Supreme Court of Canada from
"the aforesaid Order, which said
"motion came on for hearing before
"the Supreme Court of Canada on the
"22nd day of June, 1962, and pending
"the decision of the Supreme Court

"of Canada the Commissioner publicly
"adjourned the hearings.
"9. My counsel left for Ottawa,
"Ontario, to prepare his argument on
"the said motion on the 20th day of
"June, 1962.
"10. I am informed by one Ralph
"Clarke that on the night of 20th
"June, 1962, he was served by members
"of the Ontario Provincial Police
"with a subpoena under The Public
"Inquiries Act and he was directed
"to appear before the Commissioner
"to give evidence on the morning of
"21st June, 1962, in the absence of
"my counsel. He appeared before
"the Commissioner herein in a small
"room being part of the Commission
"offices on the ninth floor of
"801 Bay Street in the City of
"Toronto, and was told that the
"hearings were now recommencing and
"was sworn in as a witness by the
"Commissioner and required to submit
"to examination and cross-examination.
"I am informed and do verily believe
"that the only persons present were
"the Commissioner, the Commission
"counsel, Roland F. Wilson, Q.C., a
"female shorthand reporter and

"Sergeant John Anderson, a member of the
"Anti-Gambling Squad of the Ontario
"Provincial Police. This hearing was
"held secretly without notice to either
"myself or my counsel, contrary to the
"powers vested in the Commissioner
"under The Public Inquiries Act
"aforesaid and also not only contrary
"to the specific Order of the Court
"of Appeal but also contrary to the
"spirit and intent of the said Order.
"I am informed by the said Ralph Clarke
"that he was not the only person who
"was brought before a secret session
"of this Commission by theCommissioner
"in contravention of his powers and of
"the Order of the Ontario Court of
"Appeal. I am further informed and
"verily believe that evidence obtained
"in this manner is contrary to my
"interests and imputes to me the
"commission of a criminal offence or
"offences.
"11. I verily believe that the
"procedure adopted by the Commissioner
"was adopted in order to circumvent
"the Order of the Ontario Court of
"Appeal and to deprive me of my
"right ofcross-examination as ordered

"by the said Court and that in so doing
"the Commissioner has lost jurisdiction
"in this hearing.
"12. By reason of the aforementioned
"conduct on the part of the Commissioner
"I am perfectly satisfied that the
"Commissioner has prematurely adjudged
"me guilty of the allegations made
"against me and has closed his mind to
"any evidence tending to contradict such
"a conclusion and is in fact completely
"and unalterably biased against me.
"There could be no clearer evidence
"of his bias than the calculated
"disregard for my rights in the
"holding of secret hearings, the
"effect of which was to extract
"further evidence damaging to me.
"13. The fact that the Commissioner,
"also a Justice in Appeal, would
"pursue a course of conduct the
"effect of which was to secretly
"circumvent the Order of the Court
"of Appeal, convinces me that he is
"prepared to go to any length to
"resist any legal control whatsoever
"in exercising his functions as a
"Commissioner.
"(Signed) Vincent B. Feeley,
"Sworn on the 20th day of August, 1962".

In the event, sir, that the allegations contained in the affidavit of Feeley, and they appear on the surface his allegations are correct, if that is true, and I say those words and I point out to the Commissioner that this is not my affidavit and I have no knowledge of it and I acted under instructions as all counsel do -- but if the allegations contained in the affidavit of Feeley are correct, then it would seem in my respectful submission that you, sir, may very well have lost jurisdiction in this matter: because the direct Order of the Court of Appeal was to the effect that Feeley's counsel was to be present. There is a difference between bringing a person in and asking them to give a statement or even taking a statement from them in affidavit form, and taking a person in under the power of a subpoena at a time when the Commission has been adjourned, and putting him under oath and examining him. That, of course, would be the difference of the matter.

If that is the case, as alleged by Feeley in his affidavit, then I must follow his instructions and submit to you, sir, that there has been loss of jurisdiction in this matter.

Now, all I can say is, there is the affidavit before you, sir. If the facts are

correct I ask you to disqualify yourself; if they are not correct, then I certainly think that the matter should be looked into and whatever should be done to show that they are not correct be done now.

THE COMMISSIONER: You hear truths and half truths, Mr. Rose. No one will appreciate more than you the necessity of some preliminary investigation before witnesses are called formally before me as Commissioner in open hearing.

I did interview Mr. Clarke. I had interviewed others. Mr. Clarke will be called as a witness here, and those whom I interviewed will also be called as witnesses here.

There has been no intention on my part, as Mr. Feeley had the temerity to suggest, of circumventing the Order of the Court of Appeal.

The inquiry that was made in what he describes as the little room in this suite of offices, is in my office. I had witnesses in for the purpose of determining to what extent their evidence would be relevant. What they there said to me will not be used, but they will be called and you as counsel for Mr. Feeley and Mr. McDermott and any others whom you represent, will have the full opportunity to cross-examine them.

Now, does that answer your inquiry?

MR. ROSE: To the extent, sir, that I can understand that in every Commission, the same as in every lawsuit or criminal trial, preliminary investigations are made not only by Crown counsel but by counsel for the accused. It is their duty so to do, to interview anybody who can shed some light on the matter.

However, I do not know from what you have said, sir, whether these were interviews that were made or whether the facts are as alleged in the affidavit, that Clarke was brought in under a subpoena, ordered to appear, by the Provincial Police, did appear and at that time was then sworn in with a Bible and asked if he would tell the truth, the whole truth and nothing but the truth.

THE COMMISSIONER: That is right.

MR. ROSE: Then if that is right, sir, I take the position that it is an excess of jurisdiction, because of what value would that person's evidence be at any time in the future if even he were brought up in the witness stand, because he has gone through a situation where at night he has been subpoenaed, he has been brought here. He evidently -- I don't know -- I presume he had no counsel. He was brought here, taken in front of you, sir, in the presence of the

head of the Anti-Gambling Squad and Commission counsel, had a Bible thrust into his hand and told ---

THE COMMISSIONER: Well, now, you don't need to gild the lily. It was not "thrust" into his hand.

MR. ROSE: All right, had a Bible put into his hand.

THE COMMISSIONER: And it was not put into his hand.

MR. ROSE: Maybe, Mr. Commissioner, he picked it up when he was told to, I don't know. In any event, here was a man who was taken in and sworn under The Public Inquiries Act to give evidence at a time when the hearings of this Commission were adjourned.

Now, if that, sir, is the case -- and I don't personally place any sinister emphasis on it whatsoever -- I think the two results do follow from it, that, No. 1, this mark evidence was taken down in shorthand and undoubtedly a transcript prepared. I don't know -- undoubtedly. Of what use would it be to have that man back on this witness stand at any time, allow myself or Mr. MacKinnon or Mr. Brewin or anybody to cross-examine him, because the slightest deviation from this one-sided evidence that was given with only the Commission counsel present would result undoubtedly in a charge of perjury

against him.

Now, secondly, I would submit that there is a very close analogy in law as to this particular situation if you, sir, may recall the case of Mehr v. The Law Society of Upper Canada, a matter which went to the Supreme Court of Canada. In that particular case Mehr, a solicitor in the City of Toronto, brought before the Discipline Committee of the Law Society ---

(Page 9136 follows)

A/3

THE COMMISSIONER: I am quite familiar with the case, Mr. Rose.

MR. ROSE: At which time they, under their powers, are required to inquire into and report upon certain allegations.

THE COMMISSIONER: That is right.

MR. ROSE: And almost the same function as you exercised under the Commission that has appointed you, the Commission by which you have been appointed. As the result of the inquiry and report, and having consideration to the fact that a piece of evidence was brought before them of a vital nature which contradicted evidence given viva voce by Mehr in front of the discipline committee, despite the fact that the discipline committee said that they were washing that from their minds and paying no attention to it, the Supreme Court of Canada quashed the proceedings and quoted with approval in the Supreme Court of Canada the Szilard case where Mr. Justice Rand had this to say, which I think applies in this particular instance:

"But the Arbitrator swears
"it (hearing further persons)
"had no effect upon his award.
"I believe him. He is a most
"respectable man. But I cannot
"from respect fof any man do that
"which I cannot reconcile to

"general principles. A judge
"may not take upon himself to
"say whether evidence improperly
"admitted had or had not an
"effect upon his mind. The
"award may have done perfect
"justice, but upon general
"principles it cannot be supported."
And the proceedings were quashed.

Now, I submit to you, sir, that holding a hearing, and I do submit that this was a hearing in the true sense of the word, without opportunity for any person affected to be represented by counsel, as ordered by the Court of Appeal, that this is an excess of jurisdiction.

In addition, under Section 2 of the Public Inquiries Act, you, sir, have the same right to summon witnesses to give evidence, to compel their attendance, and to compel them to give evidence, as a judge in a civil case. The Commission by which you were appointed outlines that you have that right. Section 2 of the Public Inquiries Act defines your power in explicit words.

Now, if in any civil case any judge during the course of the proceedings in the absence of counsel for either the plaintiff or the defendant, took it upon himself to hold a hearing in his chambers of a person who may

or may not - may or may not - cast some light upon the issue before the court, I think without quoting any authority the principle is so well established that the proceeding of necessity on general principles must be quashed.

I take the position, not that you have affirmed that he was sworn and did give evidence, I take the position that this is exactly the same thing.

THE COMMISSIONER: He was sworn and he made a statement, and I have already told you that he will be called. Just a moment, Mr.Rose. Everyone whom I interviewed, whether under oath or otherwise, and whom I thought had evidence that was relevant to the terms of reference, will be called, and they will be examined by Commission counsel. You will have the opportunity to cross-examine them if you so desire within the limits of your rights here, and by that I mean if they should here make statements or give evidence affecting your clients you will have the opportunity of cross-examining them.

The interviews that I had, some under oath, some not under oath, were for the purpose of determining to what extent they could contribute anything by way of evidence here. It was a preliminary investigation. It was

never intended thatI would use their evidence beyond the point of determining to what extent it was relevant, and they will be called. That is my answer to your submission.

MR. ROSE: Do I take it, sir, that every person who gave evidence undercath, whether or not you consider their evidence relevant,will be called?

THE COMMISSIONER: I think that is right, trusting to my present assessment of the statements given to me, as you put it, "secretly".

MR. ROSE: No, it is Mr. Feeley's "secretly".

THE COMMISSIONER: Well, as you re-echo what Mr. Feeley stated.

MR. ROSE: That is all counsel can do, sir.

THE COMMISSIONER: Yes, of course.

MR. ROSE: Under those circumstances, sir, I think it is a matter of such a serious nature that I would ask you to state a case to the Ontario Court of Appeal as to whether or not you have lost your jurisdiction. This is pursuant to Section 5 of The Public Inquiries Act.

THE COMMISSIONER: What case do you desire me to state?

MR. ROSE: I would ask you to ask the Court of Appeal as to whether or notyou

have lost jurisdiction as Commissioner in these hearings by reason of the fact that you have held secret hearings in the absence of and without notification to counsel for Vincent B. Feeley.

THE COMMISSIONER: Let us get the facts first. I did not hold secret hearings. I have been repeating that to you.

MR.ROSE: Well, I presume, sir, if it is a question of splitting hairs over the words ---

THE COMMISSIONER: I am not splitting hairs.

MR. ROSE: No, no, if it is a question of determining what is the question, the question that I asked that you put to the Court of Appeal is this:

"Have I as Commissioner lost
"jurisdiction in these hearings
"by reason of the fact that I
"have held secret hearings in
"the absence --- "

THE COMMISSIONER: Let me stop you at once.

MR.ROSE: This is the question I am asking you to put to the Court of Appeal. If you don't wish to, I would just like to finish the question I am asking to be put.

"-- by reason of the fact that
"I have held secret hearings in

"the absence of and without
"notification of counsel for
"Vincent B. Peeley."

That, sir, is the question I ask you to put to the Ontario Court of Appeal pursuant to Section 5 of The Public Inquiries Act.

THE COMMISSIONER: And without hesitation I refuse, because there were no secret hearings.

MR. ROSE: Are you prepared, sir, to put the question to the Ontario Court of Appeal without the word "secret"?

THE COMMISSIONER: You tell me the case you want me to put to the Court of Appeal, and I will tell you whether I will or will not.

MR. ROSE: I have told you, sir.

THE COMMISSIONER: Then I refuse.

MR. BREWIN: I think in fairness one thing should be pointed out, and that is that counsel were aware that you were examining witnesses, and I have every reason to believe that Mr.Rose was equally aware of the fact that you were, and the Commission counsel were examining witnesses in perfectly proper manner to determine whether they should give evidence or not. I would think that it comes strangely from one who is a counsel and presumably aware of this fact, to now make an issue of it. I should think Mr. Peeley should

have been advised long ago to raise objection if there was any objection to be raised.

THE COMMISSIONER: The objection raised this morning fits into the general pattern.

MR. ROSE: Now, I would also take issue with Mr. Brewin. He can speak for himself. He does not have to speak for me. You, sir,not only know I was fully aware but I appeared with Mr. Wright on one occasion and appeared with him in your office with my client Robert Wright.

THE COMMISSIONER: That is right.

MR.ROSE: And at that time this was no hearing. At that time you asked him if he would answer certain questions in respect to things you wanted to put to him.

THE COMMISSIONER: You were acting for him.

MR. ROSE: There was no question at this particular time that he was going to be put under oath or anything of that nature. I was present in your office with Mr. David Humphrey when you asked him certain questions.

THE COMMISSIONER: That is right.

MR. ROSE: No question of him being put under oath and giving testimony in your office.

Now, Mr. Brewin does not know what he is talking about when he tries to say to you

that I was aware that people were being brought into your office and being put under oath andquestioned.

MR. BREWIN: All I said was if you paid any attention to the proceedings you might be aware of it.

THE COMMISSIONER: I may say very frankly, Mr. Rose, I know you were not aware. I did not intend you should be aware, for reasons that are perfectly patent. They were brought in by way of a preliminary inquiry by me, as I was entitled to have them brought in, questioned without your knowledge. They will be brought here, they will be examined under oath, and you can cross-examine, but I want to make it perfectly plain that those inquiries made by me in a preliminary way were not part of the hearings. These witnesses will be here and the evidence they will give will be part of these hearings, and on that evidence I will act.

MR. ROSE: What happens if they give different evidence than they gave in front of you, sir?

THE COMMISSIONER: That is for them to decide.

MR. ROSE: Which evidence are you going to act upon? Both may be sworn. They have been sworn on both occasions.

THE COMMISSIONER: That is right.

MR. ROSE: That, I submit, is the danger of doing this.

THE COMMISSIONER:, What is the difference between taking an affidavit from a witness beforehand? You have done it many times.

MR. ROSE: Many times.

THE COMMISSIONER: All right, that is all we did in substance.

MR. ROSE: Well, with respect, they got their statement under oath. They were called as a witness in pursuance to the issuance of a subpoena and taken in and put under oath and questioned.

THE COMMISSIONER: That is right.

MR. ROSE: My understanding is on that basis alone, sir, I say it is improper, it is a serious excess of your powers under The Public Inquiries Act, because the only power, sir, you have under The Public Inquiries Act to put a person under oath and question them is contained in Section 2, and that is the same power as a judge has in a civil case and no other.

Now, I can see this. If you take a person in and ask them questions and later reduce it to writing and they are content to either sign it as the type of statement that police officers obtain, or if they are content to say: "In view of the fact that you

have signed it, would you swear to it?", I don't think I could complain too much about that, or not as seriously; but I think there is a great difference between doing that and holding a hearing which in fact is what was done.

Of what value is the evidence of those people subsequent? They were not tested by cross-examination at that particular time. Now you have their evidence which I say is one-sided, and certainly who would expect that any person, after that has been reduced to writing and he is under oath and is under the impression that it was a hearing of the Commission, who would for one moment change any of that evidence, because he knows what would happen to him. We have heard the word around here fifty times - perjury.

THE COMMISSIONER: You will probably hear more of it, too.

MR. ROSE: Maybe. In any event, sir, I still take the position that you have lost jurisdiction, and if you will not state a case to the Court of Appeal ---

THE COMMISSIONER: I will not state the case that you ask me.

MR. ROSE: Will you state any case to the Court of Appeal?

THE COMMISSIONER: You name the case you want me to state, and I will decide whether

I will or will not.

MR. ROSE: I will ask if you will state a case to the Court of Appeal in the same words leaving out the word "secret".

THE COMMISSIONER: You have already asked me to state a case that you want me to present to the Court of Appeal. Have you some other one now?

MR. ROSE: I will ask you to state the same case to the Court of Appeal, the same question, leaving out the word "secret":

"Has the Commissioner lost
"jurisdiction by reason of
"the fact that he has held
"hearings in the absence of
"and without notification to
"counsel for Vincent B. Feeley?"

THE COMMISSIONER: I refuse.

MR. ROSE: Very well, sir. May I have a five-minute adjournment?

MR. MacKINNON: May I say something, sir, before adjourning. I think in fairness to yourself I can refresh your memory in this connection.

(Page 9147 follows)

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In this connection, you may remember I asked you some weeks ago if you would call some witnesses from Windsor for my information. I thought it would be relevant evidence. You told me you had interviewed those witnesses and found that their evidence was not relevent and would not be helpful to the Commission in any way. I was quite prepared to accept that. I thought that was the proper function for you to exercise.

In the event those witnesses had been called or I had forced you or attempted to force you to call the witnesses, it would only have delayed the hearings further.

My friend talks about secret hearings. There is nothing in the Act that prohibits you from holding in camera sessions. It is quite appropriate under certain circumstances under this Act.

Another thing I find interesting. Had this gone forward, I think I would like to cross-examine Feeley. I am interested in how Mr. Clarke came to divulge whatever he said to Mr. Feeley, whether it was done under compulsion or otherwise. By compulsion I mean compulsion by Mr. Feeley or his associates.

It is also very interesting, despite my friend's lengthy statement, when one

reads paragraph 10, nowhere in the paragraph does it state that Mr. Clarke said anything detrimental or otherwise about Mr. Feeley, that, indeed, he mentioned Mr. Feeley. So far as we are aware from this affidavit, Mr. Clarke could have been talking about myself or anybody else.

MR. ROSE: That is not correct.

MR. MacKINNON: I sort of find this a little difficult to follow so far as Mr. Feeley's position is concerned, as to how Mr. Clarke's evidence affects Mr. Feeley, also the question -- my friend quoted from the Mehr case which refers specifically to the use, you will remember, of the word "evidence". As you pointed out, this is not evidence. It cannot be evidence before the Commission and will not be until these people are called, so that the Mehr case is completely irrelevant to the problem which we have here.

MR. WILSON: Mr. Commissioner, the only matter I want to refer to is the fact that when Mr. Anderson was in the box as a witness on June 25th, Mr. MacKinnon was cross-examining the witness in respect to certain entries in his diary for 1961 and the particular reference that I speak of related to Mr. Ralph Clarke and in volume 39, from page 8215 through to page 8217, the matter

was under discussion and it was made quite clear at that time that the references should not be introduced in evidence in that way as hearsay and that the matter was under investigation and that Mr. Ralph Clarke would be called as a witness at a later stage.

THE COMMISSIONER: Mr. Clarke was before me and was being examined. He was told it was a little investigation, a preliminary investigation. You want a minute or two, Mr. Rose?

MR. ROSE: I would like five minutes please.

THE COMMISSIONER: What time is your watch?

MR. ROSE: 10:27 -- I am sorry, 10:37.

THE COMMISSIONER: All right, five minutes.

-- Whereupon the hearing took a short recess at 10:37 a.m.

--Upon resuming. 11;15 a.m.

THE COMMISSIONER: I have now been served with a Notice of Motion by Mr. Rose, as counsel for Vincent Feeley, an application being made by him requiring me to state a case. A case which I have refused to state is in the terms following in the Notice of Motion, namely, that the Commissioner has not lost jurisdiction by reason of the fact that he has held secret hearings in the absence of and without notification to counsel for Vincent M. Feeley, and that Motion is returnable on August 24th at eleven o'clock.

Mr. Rose, have you made arrangements to have the Court of Appeal convene on the 24th of August?

MR. ROSE: No sir, I have not. I have spoken to Mr. Preston, the Registrar, before today and asked him if the Court of Appeal can convene before that date, and that is why it was put on August the 24th at eleven o'clock or so soon thereafter as the Motion may be heard.

I shall see Mr. Preston at the noon hour today. As a matter of fact, I tried to contact Mr. Preston but was unable to. I shall certainly file this in the Court of Appeal office and see Mr. Preston and if it will possibly be on that date we will be prepared to proceed, and if not, possibly on such date as we can get.

THE COMMISSIONER: The long holiday does not expire until the 6th of September.

MR. ROSE: I know that is the date the appeal is being heard.

THE COMMISSIONER: Having been served with the Notice of Motion, I feel myself stymied for the time being, unless counsel have something to say. These hearings will stand adjourned sine die, pending the decision of the Court of Appeal.

---Further proceedings adjourned sine die.

VOLUME NO. 45

ROYAL COMMISSION

ON CRIME

IN ONTARIO

DAILY TRANSCRIPT
OF PROCEEDINGS

Date. Tues., 11th Sept., 1962

pp 9153 - 9465

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145 Yonge St,
Toronto

VOLUME 45

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TUESDAY, SEPTEMBER 11, 1962

---On resuming at 10.05 a.m.

MR. WILSON: Mr. Commissioner, this morning we turn to Question 1, and Question 1 under the Terms of Reference reads as follows:

"The administration of the laws and "regulations regarding the incor- "portation and operations of social "clubs having regard to allegations "made by the Leader of the Opposition "in his speech of November 29, 1961."

The first witness that I will be calling on that question will be the Honourable Mr. John Yaremko, and he has prepared, or there has been prepared in his department under his guidance, a brief with a number of appendices. It is proposed that he will read the brief, and that then we will later call Mr. Cudney, the Deputy Provincial Secretary, to deal with the same brief.

The brief and the appendices are quite voluminous, and the Provincial Secretary proposes to make available to members of the press copies of the brief, but he would like to have a direction from you, Mr. Commissioner, to the press that any parts of the brief that have not been read, say, at the end of the day, not be reported. In other words, he is making it available as a matter of

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convenience for the press, and he asks you to direct that they not anticipate what may be in evidence, say, to-morrow or this afternoon. I think that is a reasonable request, and on that basis copies of the brief and the appendices will be available to all the members of the press.

THE COMMISSIONER: Well, we will cross that bridge when we come to it.

MR. MacKINNON: Mr. Commissioner, I wonder if I might address you, sir, on the request which I have to make in the alternative.

You did, sir, advise me that you and Mr. Wilson had received voluminous material some weeks ago from Mr. Yaremko and his Department. I then requested of you, sir, if it would not be helpful if I and Mr. Brewin were given a copy of this material. You felt, as I understood you, sir, that this was a reasonable request, and you said you would ask Mr. Yaremko if that were possible. You apparently spoke to Mr. Yaremko and then advised me that we would not be allowed to see this material and, of course, we have not seen it to date, but that you would, in view of the fact that this was so voluminous, allow an adjournment to give us an opportunity of looking at the material.

Now, my suggestion is this. The only one who apparently will be prepared to proceed

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with this material is Mr. Wilson who has had it for some time from Mr. Yaremko. It will mean that there will be a considerable hiatus quite probably between the evidence in chief and the cross-examination. What I would suggest is that the material be filed this morning, and there will be no delay in this because you, sir, I believe, are going to grant an adjournment in any event, and then we adjourn to allow us to examine the material. Then when Mr. Yaremko gets in the box to give his evidence, the cross-examination can follow on immediately so that if there is a hiatus in other words it takes place now rather than between the evidence and the cross-examination.

If you, sir, do not feel that this is a reasonable request, I have a second alternative one to make. As you know, Mr. W.Z. Estey, Q.C., is taking over on this question for me. We had very short notice that we were going to proceed to-day. We were advised yesterday that we were proceeding to-day. Mr. Estey, who was in Court all day yesterday, had to go to Ottawa to-day on an income tax matter which involves people coming from Regina and Saskatoon, who are now in Ottawa, and there will be no possibility of adjourning it. So he will be there to-day in Ottawa. He has gone there now, he flew there last night, and is coming back arriving in Toronto at

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9.00 o'clock to-night.

What I would ask in the alternative is that his matter be adjourned until to-morrow morning so that Mr. Estey -- if you are going to proceed and allow Mr. Yaremko to read from this very voluminous material, that you adjourn it for the day to allow Mr. Estey to be here from the beginning to hear what is said, hear what is left out. The transcript is not always as good or as colourful as hearing a witness himself, as you know, sir, and it is helpful to counsel to be present to hear what is actually said. That is the alternative request I make.

The third request, I think, is a quite normal one. I see Mr. Wilson is concerned about the press receiving copies. I trust that we also on this side of the table will be given copies of what Mr. Yaremko has.

MR. WILSON: Dealing with this last point, I did not mention it but it goes without saying that as soon as the witness goes in the box ---

THE COMMISSIONER: I should have thought so.

MR. BREWIN: May I, sir, associate myself with Mr. MacKinnon in this request for an adjournment. Observing Mr. Yaremko and certain blue-covered volumes that he has in front of him, they look extremely large

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The procedure so far seems to me to have been inexplicably unco-operative as far as Mr. Yaremko is concerned with the other counsel involved, and I cannot see any purpose in throwing obstacles in our way when we are trying to assist in getting out the facts. It is hard to understand that.

I do respectfully suggest that it would be only fair to counsel involved -- and I have Mr. Lawlor with me who is going to take over for my client at the same time as Mr. Estey, I do not think it would be fair to Mr. Lawlor to even sit -- I don't know how long Mr. Yaremko is going to read that blue volume to you, but it looks quite a substantial volume and it may be, if we did have a chance to look at it, we may be able to suggest some time-saving device, or perhaps all of it won't have to be read aloud to this Commission. We are all capable of reading.

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I therefore associate myself with the first of Mr. MacKinnon's requests. As to the second, that is a matter that affects him and not me.

THE COMMISSIONER: We have already lost very valuable time, and I propose not to adjourn this, Mr. MacKinnon, as you suggest, until to-morrow. In making that ruling I am clearly satisfied that it is not in any way unfair. I have had an opportunity of glancing through this brief. It was given to me for my perusal only and on the understanding that it should not be made available to anybody but myself and Commission counsel.

It looks voluminous. I rather think that there is much which it is not necessary to delve into.

Therefore I rule against it and Mr. Yaremko will be called now and he may read the brief. You will be here and it will be pretty much a matter of formality, reading it.

Were you about to say something?

MR. MacKINNON: No, I was waiting for you to finish, sir.

THE COMMISSIONER: Well, I paused.

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THE COMMISSIONER: I pause now so that you may say what you want.

MR. MacKINNON: I trust you are not ruling against the request which I am making on Mr. Estey's behalf. I will not be here to-day. I will be leaving after this. We do not know, we are completely in the dark whether it is relevant or irrelevant, but that before Mr. Estey has to cross-examine he will be given an opportunity ---

THE COMMISSIONER: By all means.

MR. MacKINNON: And there will be an adjournment to allow us to go through this material.

THE COMMISSIONER: You will be given ample time to go through it. It may well be that we will go on with something else while Mr. Estey is going through it, because I am not going to waste time. Too much time has been lost already.

MR. MacKINNON: You are not, I trust, accusing me of wasting time?

THE COMMISSIONER: Of course not. All right, let us get on.

MR. WILSON: I call Mr. Yaremko.

MR. BREWIN: I wonder if it could be noted that Mr. Lawlor will be representing the New Democratic Party in this case, Mr. Patrick Lawlor.

THE COMMISSIONER: I pause now so that you may say what you want.

MR. MACKINNON: I trust you are not ruling against the request which I am making on Mr. Batey's behalf. I will not be here to-day. I will be leaving after this. We do not know, we are completely in the dark whether it is relevant or irrelevant, but that before Mr. Batey has to cross-examine he will be given an opportunity ---

THE COMMISSIONER: By all means.

MR. MACKINNON: And there will be an adjournment to allow us to go through this material.

THE COMMISSIONER: You will be given ample time to go through it. It may well be that we will go on with something else while Mr. Batey is going through it, because I am not going to waste time. Too much time has been lost already.

MR. MACKINNON: You are not, I trust, accusing me of wasting time?

THE COMMISSIONER: Of course not. All right, let us get on.

MR. WILSON: I call Mr. Yaremko.

MR. BRAWIN: I wonder if it could be noted that Mr. Lawlor will be representing the New Democratic Party in this case, Mr. Peterson Lawlor.

JOHN YAREMKO, sworn

THE COMMISSIONER: I understand that you would like to sit down.

A. Yes. Mr. Commissioner, I have here a Volume 10 of the brief and appendices which I will give to you for your purposes.

THE COMMISSIONER: There may be some changes in the draft originally.

A. Yes.

THE COMMISSIONER: With respect to the handling of the brief with reference to the press, just retain it for the time being.

MR. WILSON: May I proceed, Mr. Commissioner?

THE COMMISSIONER: Yes.

EXAMINED BY MR. WILSON:

Q. You are the Provincial Secretary of the Province of Ontario?

A. I am.

Q. How long, or when were you appointed to that position?

A. On 26th May, 1960.

MR. WILSON: I think in view of the fact that Mr. Yaremko is going to have a lengthy ordeal in the box,that he might be permitted to sit.

THE COMMISSIONER: You advised me of that, Mr. Yaremko. Please dit down.

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THE COMMISSIONER: You advised me of that, Mr. Yaremko. Please sit down.

MR. WILSON: You have, I see, in the

brief that you propose to file, at page 5 referred to the various personnel who have held the office of Provincial Secretary from 1943 to date, and just for the record possibly at this stage if we could have you recite the facts in that connection.

A. Yes, I shall. If I might just say a word prior to that, Mr. Commissioner, in respect to this brief, I am going to be presenting this brief on behalf of the Department. Certain matters come within my personal knowledge, directly or indirectly, as Minister since 26th May, 1960. The rest comes within the knowledge of the Deputy Minister, Mr. R.J. Cudney, Q.C., either directly or indirectly.

My predecessors did not participate in its preparation, and indeed they as yet have not had an opportunity of reading the brief.

Various personnel have been connected with the preparation of the brief, and I mention in particular Mr. Sam Lavine, Director of Companies; Mr. James Daly, Executive Officer; and Mr. Sam Margolian, a solicitor in the Department.

The brief is dated 19th March, 1962, which is the date preceding the first day of the sittings of the Commission. Other relevant dates are 29th November, 1961, the date of the speech referred to, and 11th

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The brief is dated 19th March, 1952, which is the date preceding the first day of the sittings of the Commission. Other relevant dates are 29th November, 1951, the date of the speech referred to, and 11th

December, 1961, the date of the appointment of the Commissioner. The statistics contained herein have been prepared accordingly. I wanted to make that statement in order to familiarize you with the preparation of this brief.

MR. WILSON: Possibly we could mark the brief as an exhibit and the appendices. Have you got a copy for the Registrar?

THE COMMISSIONER: I have a copy of the brief.

THE WITNESS: It is the signed copy, my lord.

MR. WILSON: Possibly that copy is the one that should be marked, Mr. Commissioner.

THE COMMISSIONER: On what page is it?

A. Page 98 of the brief proper.

Q. There are not 98 pages in the brief that I have. I am looking at the one you just handed me, No.10. There are not 98 pages in it. I beg your pardon, thank you.

We will mark the brief as Exhibit 253. Then the appendices, I suppose, should be marked with the same letter of the alphabet as they each have, so that they will be 253-A, B, C, D, etcetera.

MR. WILSON: Mr. Registrar, this box is Appendix M.

THE COMMISSIONER: How many appendices

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MR. WILSON: Mr. Registrar, this box is Appendix M.

THE COMMISSIONER: How many appendices

are there?

MR. WILSON: Well, possibly I should list them. They appear in the brief on the second page. Appendix A -- Statutes and Regulations administered by the Department.

THE COMMISSIONER: You do not need to read them. I see them now on page 2. Exhibit 253 will be the Provincial Secretary's brief with all the appendices. That is good enough for the purpose of identification.

---EXHIBIT NO. 253: Brief of the Provincial Secretary.

MR. WILSON: Then would you just proceed with the reading of this brief and in that way we will in due course come to the question that I asked you a moment ago.

A. Yes.

THE COMMISSIONER: Now, the Reporter need not bother himself with copying this down as it is read. We have it all in printed form, so we will not need to refer to any Reporter's notes for that purpose.

THE WITNESS: Mr. Commissioner, from time to time I may make a short insertion in the brief.

THE COMMISSIONER: Then the Reporter can take that.

A. And I will so indicate when I come to it. Mr. Commissioner, I will read commencing

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MR. WILSON: Well, possibly I should list them. They appear in the brief on the second page. Appendix A -- Statutes and Regulations administered by the Department.

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THE COMMISSIONER: Then the Reporter can take that.

A. And I will so indicate when I come to it. Mr. Commissioner, I will read commencing

at page 1 headed "Introduction".

MR. WILSON: Mr. Commissioner, do I need to stand except where I need to interrupt?

THE COMMISSIONER: No.

---(Mr. Yaremko began to read his brief.)

(Page 9165 follows)

at page 1 headed "Introduction".

MR. WILSON: Mr. Commissioner, do I need to stand except where I need to interrupt?

MR. COMMISSIONER: No.

---(Mr. Yaremko began to read his brief.)

(Page 9165 follows)

THE WITNESS: (Continuing to read page 1 of the brief.)

---(Page 2.)

---(Page 3.)

" Among such documents and
"record are:
" -- Commissions of public
"inquiry . . ."

And I interject, Mr. Commissioner, that it is a notable example of the principle of the rule of law of one of the democratic institutions in our country that I countersigned the appointment of the commission of inquiry of this Commission as Provincial Secretary.

" -- Commissions of appointment
" * Cabinet Ministers
" * Executive Councillors . . .

" This inquiry is concerned
"with the law as set out in the
"above two statutes and the
"Regulations thereunder (and these
"are attached in Appendix A)."

Mr. Commissioner, I believe Mr. Wilson has a complete set of those statutes, and they are marked as Appendix A. They are the only copy of Appendix A, this listing of these statutes.

THE WITNESS: (Continuing to read page 1 of the brief.)

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"with the law as set out in the
"above two statutes and the
"Regulations thereunder (and these
"are attached in Appendix A)."

Mr. Commissioner, I believe Mr. Wilson has a complete set of those statutes, and they are marked as Appendix A. They are the only copy of Appendix A, this listing of these statutes.

There will be made available to all other interested persons copies of the Corporations Act and the Corporations Information Act, and the Regulations thereunder, which form part of Appendix A.

---(Page 4.)

"About three years ago the "functions of the Department were "extended to include a section on "citizenship, and on the 27th of "January, 1961, an Act came into "effect constituting the Department "as the 'Department of the Provincial "Secretary and Citizenship' a copy "of which Act is attached in Appendix "A. . . . ."

---(Page 5.)

---(Page 6.)

"II

"ORGANIZATION OF THE DEPARTMENT

"The Department of the "Provincial Secretary and Citizenship "consists of several divisions. "The principal division with which "this inquiry is concerned is the "Companies Division, and its "organization and functions will be "set out in detail in Chapter III,

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" ORGANIZATION OF THE DEPARTMENT

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"consists of several divisions.
"The principal division with which
"this inquiry is concerned is the
"Companies Division, and its
"organization and functions will be
"set out in detail in Chapter III,

"and that it was thought useful to summerize
"briefly some of the other divisions
"as to which more extensive infor-
"mation is set out in the Organization
"Chart I (unfold page 8) and in
"Appendix B."

Before continuing to read, I direct your attention, Mr. Commissioner, to Appendix B which, subject to your approbation, I do not propose to read. That sets out in more detail the various divisions of the Department, other than the Companies Division, which are summarized in the brief proper and which I propose to continue reading.

Appendix B was provided to provide you with additional information should you care to read more of the detail of the Department.

THE COMMISSIONER: Q. You do not need to read Appendix B. For example, I am not concerned very much at all with the Marriage Division, and matters of that sort.

A. That is a page and a half, with the chart, which would give you the picture of the complete Department.

Q. Yes.

A. "a) Registrar General. The
"Vital Statistics Act provides for
"the Department of the Registrar
"General and the Provincial Secretary
"and Minister of Citizenship is by

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A. "a) Registrar General. The "Vital Statistics Act provides for "the Department of the Registrar "General and the Provincial Secretary "and Minister of Citizenship is by

"Order in Council appointed Registrar "General . . . ."

- - - - - - - -

". . . .h) Speaker's Office . . . ."

Q. Mr. Yaremko, instead of reading all that, much of which at the moment, while I find it interesting, I doubt very much whether I will be so interested in it to refer to it again. Why not take that as read?

A. Fine.

I will proceed, Mr. Commissioner, to page 9:

"III

"THE COMPANIES DIVISION

"Organization

". . . The principal division of the "Department with which this inquiry "is concerned is the Companies "Division, and for this reason it "is deemed fit to deal in greater "detail with its organization and "functions than with the other "divisions . . . .

- - - - - - - -

". . .Incorporations: This section "consists of 22 persons, including "6 solicitors . . . ." - and they are listed on Chart No.2 -

". . . who have been with the

"Order in Council appointed Registrar

"Deputy . . . ."

- - - - - - - -

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A. Fine.

I will proceed, Mr. Commissioner, to page 3:

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". . .Incorporations: This section "consists of 22 persons, including "6 solicitors . . ." - and they are listed on Chart No.2 -

". . . who have been with the

"Department from a maximum of more than
"eleven years to a minimum of two
"and one-half years, the supervisor
"of services, who has been with the
"Department for 27 years, and the
"necessary secretaries and clerks. . . ."

(Page 10)

". . . More new corporations are
"incorporated in Ontario each year
"than in any other jurisdiction in
"Canada. . . Statistics indicating, for
"each fiscal year commencing with
"the fiscal year ending March 31st,
"1950, the number of documents
"which have been processedby the
"Department are set out in the
"following Table: . . ."

Q. . . Well, we will take the table as read.

A. . . "The above statistics refer, of
"course, only to the actual number of
"the documents completely processed. . . ."

(Page 11)

". . .Reference is made to Appendix F
"listing 981 corporations, and to
"Appendix I listing 186 applications,
"which were refused, the names of
"which will indicate the variety of

"Department from a maximum of more than
"eleven years to a minimum of two
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"of services, who has been with the
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(Page 11)

". . .Reference is made to Appendix F
"listing 981 corporations, and to
"Appendix I listing 166 applications,
"which were refused, the names of
"which will indicate the variety of

"objects, and in Appendix G are listed
"18 corporations whose objects are
"listed in full and some idea may be
"obtained of the variety of objects."

And if I may pause for a moment to ask you to turn, Mr. Commissioner, to Appendix F, which is the large appendix entitled:

"Applications for Incorporation with
"Objects In Whole Or In Part Of a
"Social Nature (Except Social Clubs)
"Received After July 1st, 1950, and
"Granted Before December 11th, 1961,
"Where The Pre-incorporation Police
"Reports Were Completely Favourable
"And Where There Have Been No Complaints
"Since Incorporation."

I ask you to turn to the index on the next page.

Now, the index, numbering some 17 pages, lists the names of 981 corporations. I do not propose to read this index, subject to your approbation, Mr. Commissioner, but I would request you, and other interested parties, to read this index because the names alone, when you read the 17 pages totalling 981, are some indication of the broad interpretation which the Department has placed on the meaning of the word "social".

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Q. Yes.

A. Also, Mr. Commissioner, I would

ask you to turn over, for a moment, to the book containing all the appendices and refer to Appendix G. It has the yellow page immediately preceding it.

Q. Yes, I have it. Thank you.

A. Appendix G contains "Applications for Incorporations With Objects In Whole Or In Part Of a Social Nature Received After July 1st, 1950, And Granted Before December 11th, 1961, That Were Not Referred To The Police In The Regular Course". If you would turn to page 1 of that particular appendix and to the following pages. The Department has in this appendix set out the object clauses in full. A reading of the 17, plus one, corporations referred to would indicate the broad nature given to the interpretation by the Department of the meaning of the word "social".

Q. Yes.

A. I will be coming to this appendix later on in more detail, Mr. Commissioner.

Q. I suppose in connection with Chipper Sales and Advertising?

A. No, I will be referring to that whole appendix later on. The Chipper Sales is dealt with, not in the appendix, but in the brief proper because it appears in the Speech.

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" It would appear that of the

"approximately 65,000 corporations of "all kinds presently in existence in "Ontario, it is estimated that about "5 per cent or 3,200 of such cor- "porations have objects in whole or "in part of a social nature in the "sense interpreted by the Department "as set out above. . . .

" Both in the compilation of the "list and in the analysis of the "files of the corporations on the "list, the Department has included "every corporation that could in "any conceivable way be construed "as having objects of a social "nature. The task has been very "great indeed."

Q. Do you think you really need to read Chapter 4, Mr. Yaremko?

A. Mr. Commissioner, the purpose of Chapter 4, in respect to the advantages of incorporation, is to provide the background in this brief of the thinking that I submit, and will be submitted, the Provincial Secretary must bear in mind in the exercise of his discretion.

Now, it is one page long.

There are certain paragraphs which have a specific bearing -- some may notybe as

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relevant as others -- but I submit all are necessary to provide the necessary background.

Q. The only reason I suggested that you need not wear yourself out reading that is that I think I know the advantages of incorporation, and so do counsel appearing here. However, if you really think there is something to be contributed by reading it, or stressing parts of it, why, go right ahead.

A. Thank you.

(Page 13)

"IV

"ADVANTAGES OF INCORPORATION

"Since reference will be made "later, in discussing the discretion "of the Minister, to the advantages "of incorporation, some of them are "herewith set out. . . .

"...However, the Criminal Code "of Canada does provide a certain "exemption referred to infra. It "is the view of the Department "that there is a general misunder- "standing among segments of the "public that the Letters Patent "commonly known as a Charter "incorporating a corporation with "objects of a social nature . . ." -

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and the following five words are repetition and should be stricken out -

". . . give the corporation some kind "of a licence to operate contrary to "the general laws applicable to other "persons, i.e. a licence to break "the law, and it is to correct this "misapprehension on the record that "The Department makes this statement. . . ."

(Page 14)

(Page 15)

" . . . In the following out "of this practice, occasions have "arisen where the reports of other "departments or agencies of government "to the Minister . . ."

Q. Just pause for a moment. All right.

A. "In the following out of this "practice, occasions have arisen "where the reports of other depart- "ments or agencies of government "to the Minister have been other "than completely favourable to the "application, but the Minister in "the exercise of his discretion "upon a review of all the circum- "stances has come to the conclusion "that incorporation should be granted. . . .

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(page 14)

(page 15)

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"departments or agencies of government
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"where the reports of other departments or agencies of government
"to the Minister have been other
"than completely favourable to the
"application, but the Minister in
"the exercise of his discretion
"upon a review of all the circumstances has come to the conclusion
"that incorporation should be granted. . . .

". . . Attached hereto as Appendix "C is a copy of the Affidavit of "the Provincial Secretary that was "filed with the Supreme Court of "Ontario in the Stainer case referred "to above, which sets out matters "considered by the Provincial "Secretary in exercising his discretion "in that instance."

And I would ask you, Mr. Commissioner, to turn to Appendix C. I should like to read the affidavit:

" APPENDIX C

"PROVINCE OF ONTARIO (IN THE MATTER OF
(The Corporations
(Act, 1953, AND IN
(THE MATTER OF the
(Application of Molly
(Stainer, Sigmund
TO WIT: (Stainer and Jacqueline
(Gardner, for Letters
(Patent under the name
(Sunnydale Nursery
(Limited."

And I bring to your attention, Mr. Commissioner, that this is not a corporation incorporated for social objects but it is used as an example of the discretion which the Minister exercises in the issuance of letters patent. There have not been applications of this nature with respect to corporations with social objects in recent times.

" I, JOHN YAREMKO, Q.C. of the "City of Toronto, in the County of

". . . Attached hereto as Appendix
"C is a copy of the Affidavit of
"the Provincial Secretary that was
"filed with the Supreme Court of
"Ontario in the Steiner case referred
"to above, which sets out matters
"considered by the Provincial
"Secretary in exercising his discretion
"in that instance."

And I would ask you, Mr. Commissioner, to turn to Appendix C. I should like to read the affidavit:

"PROVINCE OF ONTARIO (IN THE MATTER OF
(The Corporations
(Act, 1953, AND IN
(THE MATTER OF the
(Application of Molly
(Steiner, Stymund
TO WIT: (Steiner and Jacqueline
(Gardner, for Letters
(Patent under the name
(Commydale Nursery
(Limited."

And I bring to your attention, Mr. Commissioner, that this is not a corporation incorporated for social objects but it is used as an example of the discretion which the Minister exercises in the issuance of letters patent. There have not been applications of this nature with respect to corporations with social objects in recent times.

" I, JOHN YARENKO, Q.C. of the
"City of Toronto, in the County of

"York, Provincial Secretary, make
"oath and say as follows: . . ."

"6. Now shown to me and marked
"Exhibit 'A' to this my Affidavit
"is a copy of a letter dated July
"20th, written to the
"Department of the Provincial
"Secretary by R.S. Rivers, the
"Deputy Minister of Education."

Q. Do you need to read that?

A. Possibly not.

Q. You have set out earlier the matters to which you give consideration in granting or refusing an application for incorporation and a reference to the particular matters in this particular case if of no great value to me.

A. Perhaps I could skip to paragraph 10 of the affidavit.

Q. You simply say that in exercising your discretion you came to the conclusion that the incorporation should not be granted?

A. Yes.

Q. On the facts of that case?

A. Yes.

I refer to the last paragraph on page 15:

" It would appear that from an

"York, provincial secretary, make
"oath and say as follows: . . ."

"6. Now shown to me and marked
"Exhibit 'A' to this my Affidavit
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A. Perhaps I could skip to paragraph 10 of the affidavit.

Q. You simply say that in exercising your discretion you came to the conclusion that the incorporation should not be granted?

A. Yes.

Q. On the facts of that case?

A. Yes.

I refer to the last paragraph on page 16:

" It would appear that from an

"administrative point of view, the
"easiest thing to do would be to
"refuse incorporation in all instances
"upon the slightest negative evidence.
"There is no doubt about the hardship
"that might fall upon citizens if
"such a rigid policy were to be
"pursued."

Q. Mr. Yaremko, go back to the paragraph reading, "After reciving such "reports . . .". Do you see that?

A. Yes.

Q. Then, the last two sentences are the sentences I was considering when I asked you to pause earlier:

"He gives full consideration to
"the question whether incorporation
"would prejudicially affect the
"public interest to a greater
"extent than the denial of incorpora-
"tion would affect the private
"interest of the applicant."

Do you desire to enlarge on that?

A. Well, I think, Mr. Commissioner, that if you were to read the two sentences together - that instead of being a period it could very easily have been a semicolon --

Q. I do not care how you punctuate it.

A. The Provincial Secretary, and I

"administrative point of view, the
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"refuse incorporation in all instances
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Q. I do not care how you punctuate it.

A. The Provincial Secretary, and I

speak for myself, because I know what goes on in my mind, in receiving these reports has to come to a conclusion to determine what is in the public interest, bearing in mind that a denial to one private person is also a consideration of the public interest. I must weigh the two together to make a decision in the exercise of my discretion because the sum total of many private interests is the public interest.

Q. Well, take the case where certain persons apply for letters patent incorporating a company and it appears in your judgment that, if the application is granted, the public interest will be prejudicially affected; do I understand you to say that you put that in one pan of the scale and in the other pan of the scale you put the extent to which the private interest of the applicants will be affected and you attempt to balance one against the other?

A. That is just one process of reasoning which, I submit, a Provincial Secretary has in mind.

I will be referring you, Mr. Commissioner, to Appendix I which will list some 123 corporations which were refused incorporation because the Provincial Secretary considered the facts in each specific instance and came up with a decision that it would be against the public

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I will be referring you, Mr. Commissioner, to Appendix I which will list some 123 corporations which were refused incorporation because the Provincial Secretary considered the facts in each specific instance and came up with a decision that it would be against the public

interest in those 123 instances to issue letters patent of incorporation.

The example used is only one mental process. It was mentioned there to highlight the fact that the public interest is, at times, the sum total of a large number of private interests, as I have mentioned.

Q. Well, --

MR. LAWLOR: Mr. Commissioner, may I just, on a point of order? It is 1866 which have been refused on the testimony before us, not 123; just to keep the record straight.

THE COMMISSIONER: I do not know; I have not applied any arithmetic yet.

I am rather concerned with what you say, Mr. Yaremko, are the matters which you took into consideration in overcoming, if you like to put it that way, the adverse public interest which would be affected if incorporation was granted. In other words, you have an application before you for incorporation. You say to yourself, applying one test as to whether you should grant it or not: "If I grant this the public interest will be prejudicially affected." You put that, as it were, in one pan of the scale, as I follow you, and then you say: "Well, if I do not grant it these three" - because there must be at least three applicants - "these three, their private interests are going to be adversely

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affected". You put that in the other pan of the scale.

Can the adverse effect on three persons overcome or balance the prejudicial effect on the public interest generally at any time?

A. Mr. Commissioner, the Provincial Secretary is dealing with the likelihood of the public interest being prejudicially affected. He is not endowed with such powers as to be positive what the public interest will be when he grants an incorporation; he is dealing with the likelihood of there being. He has to measure in his own mind how great an extent that likelihood is. If there is a very slight likelihood, then he bears that in mind; as opposed to something where the application speaks very loudly that not only a likelihood ---

(Page 9181 follows)

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(Page 9181 follows)

Q. But a strong probability?

A. A strong probability. And, in the light of his experience over a number of years which he will garner in having dealt with either those he has refused, and subsequent experience has shown if he had to reconsider that application he might have granted it in the light of hindsight, and there may be those on which he granted it on the slight possibility and it may have turned out he should not have. But, he is not endowed with superhuman powers; he has to go on the basis of his judgment. Those, I suggest, are matters which he takes into consideration.

Q. Then, you have not expressed it very well in the brief. You should say he gives full consideration to the question as to the probability or possibility, but that is not the way you have put it. You say, "He gives full consideration to the question whether incorporation would . . ."

A. That is a measure of the degree.

I suggest, Mr. Commissioner, that that is an opinion expressed; that you, sir, in reviewing Appendix I --

I bring it to the attention of counsel who interjected that Appendix I is broken into two categories. There are 123 refusals on the basis of objections from the police or other government departments, and the

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balance of the 63 are made up of refusals because they were not in accordance with government policy generally.

Q. Regardless of all that, I wanted to be sure that you were accurately expressing yourself in two sentences that we have been reading, and as I understand you now you were not. That should read, if I understand your oral explanation, "He gives full consideration to the question of whether incorporation may or may not . . ."

A. Or "is likely to."

Q. You stated it as a positive manner, whether it would.

A. The word "would" was intended, I am sure, to mean ---

Q. With that explanation, I understand it; but, otherwise, I was going to disagree rather violently with you.

A. I wish you to know, Mr. Commissioner, that as Provincial Secretary I am not endowed with superhuman qualities; I cannot tell what the future may bring.

" VI

" CANCELLATION -- "

Q. Just a moment. While we are on that I would like to clear it all up.

A. All right.

MR. WILSON: Mr. Commissioner, I was wondering if this would be an appropriate

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A. Or "is likely to."

Q. You stated it as a positive manner, "would".

A. The word "would" was intended, I am sure, to mean ---

Q. With that explanation, I understand it; but, otherwise, I was going to disagree rather violently with you.

A. I wish you to know, Mr. Commissioner, that as Provincial Secretary I am not endowed with superhuman qualities; I cannot tell what the future may bring.

" VI

" CONCILIATION -- "

Q. Just a moment. While we are on that I would like to clear it all up.

A. All right.

MR. WILSON: Mr. Commissioner, I was wondering if this would be an appropriate

time for a morning break?

THE COMMISSIONER: I got so interested I forgot about the break.

Ten minutes.

---(Short recess)

THE COMMISSIONER: All right, Mr. Yaremko.

A. "VI

" CANCELLATION FOR CAUSE

" The Law

" The Legislature has provided in "The Corporations Act: . . .

---(Page 16)

(Page 9184 follows)

time for a coffee break!

THE COMMISSIONER: I got so interested I forgot about the break.

Ten minutes.

---(Short recess)

THE COMMISSIONER: All right, Mr. Yaremko.

A. "VI

CANCELLATION FOR CAUSE

The Law

" The Legislature has provided in

"The Corporations Act: . . .

---(Page 14)

(Page 918A follows)

THE WITNESS: (Continuing to read from page 16).

---(Page 17.)

THE COMMISSIONER: Who, under the policy in the Department, presides at the hearings?

A. The Deputy Minister. The Deputy Minister presides, and the Director of Companies acts on behalf of the Department in the proceedings.

Q. As counsel?

A. As counsel.

"Chapter VII - THE CRIMINAL CODE
"AND SOCIAL CLUBS".

May I suggest, Mr. Commissioner, that I do not read all of the provisions but only that which is in bold type, or do you wish me to read all of it?

THE COMMISSIONER: That will be quite sufficient for my purposes.

A. "The following provisions
"of the Criminal Code would appear
"to have a particular application
"to incorporated social clubs:
" PART V
" DISORDERLY HOUSES, GAMING AND BETTING
" Interpretation
"(d) 'common gaming house' means
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Interpretation

"(d) 'common gaming house' means "a place that is

" (i) kept for gain to which
" persons resort for the
" purpose of playing games; or
" (ii) kept or used for the purpose
" of playing games
" (B) --- "

THE COMMISSIONER: I think (A) is important.

A. (Continuing to read from page 18):
" (A) in which a bank is kept by
" one or more but not all of
" the players,

---(Page 19.)

"(b) evidence that a place was found
"to be equipped with gaming equipment
"or any device for concealing,
"removing of destroying . . ."

I believe that should be "or destroying", Mr. Commissioner.

---(Continuing to read from page 19)

I pass by Section 170 and I pick up the reading:

" It will be seen from the
"provisions of subsection 2 of
"section 168 quoted above . . ."

" (i) kept for gain to which
" persons resort for the
" purpose of playing games; or
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" VIII

" POLICY OF THE DEPARTMENT WITH RESPECT
" TO THE INCORPORATION OF SOCIAL CLUBS"

Now, I pause here for a moment, Mr. Commissioner, to direct your attention to Appendix D. Appendix D consists of memoranda relative to the policy of the Department with respect to social clubs and consists of some twenty-one items, Item 1 on page 1 to Item 24 on page 32.

In the course of reading this chapter, Chapter VIII and the next Chapter IX on the policy of the Department with respect to cancellation for cause of charters of social clubs, reference will be made from time to time tothese memoranda. In a way they are summarized and digested in these chapters, and I await your direction, either in whole or from time to time, whether you wish to have me read, in addition to what will be in the brief proper, the relevant memoranda.

THE COMMISSIONER: Well, go ahead with the brief proper for the time being at any rate.

"A. (Continuing to read from page 20):

" The policy with respect to
"the incorporation of social clubs
"and corporations with objects in
"whole or in part of a social nature . . ."

---(Page 21.)

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"A memorandum from the
"Deputy Minister to the then
"Minister (Hon.D.H.Porter,Q.C.)
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"policy is set out in Appendix D,
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Which is dated March 22nd, 1949:

"The policy to date was set
"out in a memorandum to the staff
"of the Department dated May 2nd,
"1949 from the Deputy Minister, a
"copy of which is attached in
"Appendix D,,item 5."

---(Page 22.)

"A memorandum dated July 11th,
"1950 (Appendix D, item 6) setting
"out the above policy was forwarded,
"in accordance with departmental
"practice, to the solicitors and
"others in the Companies Division
"dealing with the incorporation of
"social clubs. The Deputy Minister
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"exception of service clubs, discuss
"all such applications with him
"before the applicants were advised

"that the Department was proceeding
"to engross the letters patent."

I pause here, Mr. Commissioner, to make this point, that it is because of the settling of this policy in July 1950 that it has been used as the starting date of the statistics compiled within this brief. That is the 11½ year period referred to, going back to 1st of July, 1950.

"The effect of the new policy was
"as follows: - - -"

---(Page 23.)

THE COMMISSIONER: Just a moment. I do not understand that (1):

"23-(1) Where the objects of a
"corporation, other than a corpora-
"tion commonly known as a service
"club, are in whole or in part of
"a social nature, the letters patent
"or supplementary letters patent
"of the corporation shall limit
"the location of
" (a) its activities
" (b) its club house or premises; or
" (c) both"

I should have thought ---

A. I refer you back, Mr. Commissioner, to the activities of a flying club, a motorcycle club. I think Mr. Cudney in his experience

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MR. WILSON: At the bottom of page 21.

THE COMMISSIONER: I recall that. That is what you have in mind in any event, what the Department had in mind in any event.

A. (Continuing to read from page 23):

"q. Where the objects of a "corporation are in whole or in "part of a social nature, the "letters patent or supplementary "letters patent of the corporation "shall contain the following."

(Page 9190 follows)

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MR. WILSON: At the bottom of page 21.

THE COMMISSIONER: I recall that. That is what you have in mind in any event, what the Department had in mind in any event.

A. (Continuing to read from page 23):

"d. Where the objects of a
"corporation are in whole or in
"part of a social nature, the
"letters patent or supplementary
"letters patent of the corporation
"shall contain the following."

(page 9190 follows)

THE WITNESS: "Where the objects of a "corporation are inwhole or in part of "a social nature . . . " --

---(Page 24)

---(Page 25)

---(Page 26)

"Attached as Appendix E, Items "1 and 2, are the forms of annual "returns prior (as of March 31st, 1961) "and subsequent (as of March 31st, 1962 "and thereafter))to the above amend- "ment."

I direct your attention, Mr. Commissioner, to Appendix E. You have before you Appendix E, Item 1. That is the Information and Particulars as of the 31st March, 1961.

If you would direct your attention to Paragraph H you will see the item earlier referred to in the brief, the requirement as to the location of the head office, giving street and number, if any.

Them, Mr. Commissioner, I direct your attention to Item 2 which is headed, "Information and Particulars as of March 31, 1962". This is a form that ultimately came into being as a result of the decision in August, 1961.

I direct your attention to Item H: "The location of the head office, giving

THE WITNESS: "Where the objects of a
"corporation are inwhole or in part of
"a social nature . . . " --

---(page 24)

---(page 25)

---(page 26)

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I direct your attention to Item H: "The location of the head office, giving

street and number, if any." And then HA: "Where the objects are in whole or in part of a social nature, (i) the address of the premises of the corporation giving the street and number, if any".

I now revert to the brief:

"At the interview referred to in the "first week of January, 1960 . . . " ---(Page 27)

"These were cases where the police "did not report favourably, not "because of alleged illegal gaming, "but because the premises were not "in compliance with municipal "regulations."

THE COMMISSIONER: I see it is 1.00 o'clock. We will resume at 2.15

---Whereupon the hearing adjourned at 1.00 p.m. until 2.15 p.m.

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---Whereupon the hearing adjourned at 1.00 p.m. until 2.15 p.m.

---On resuming at 2.20 p.m.

THE COMMISSIONER: You got down, Mr. Yaremko, to the end of the second paragraph on page 27.

A. Yes, Mr. Commissioner.

" The Departmental policy "was developed that, where it "appeared from police reports "that there was a problem of fire "hazard . . ."

---(Page 28.)

" In 1954 the policy was "extended to cancel a charter if "the doors were barricaded even "where there was no bolts and bars "clause in the charter. A memorandum "from the Deputy Minister to the "staff dated February 10th,1954, "set out this new policy. (See "Appendix D, item 9.)"

THE COMMISSIONER: Excuse me, Mr. Yaremko, Throughout this brief you refer to "departmental policy" om the one hand and "regulations" on the other. Am I correct that there were certain departmental policies that were not embodied in the regulations?

A. Yes, that is correct, Mr. Commissioner. I have quoted the relevant

---Resuming at 4.0 p.m.

THE COMMISSIONER: You got down, Mr. Yaremko, to the end of the second paragraph on page 27.

A. Yes, Mr. Commissioner.

" The Departmental policy
"was developed that, where it
"appeared from police reports
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" In 1954 the policy was
"extended to cancel a charter if
"the doors were barricaded even
"where there was no bolts and bars
"clause in the charter. A memorandum
"from the Deputy Minister to the
"Chief Liquor Inspector Dec.,1954,
"set out this new policy. (See
"Appendix D, item 9.)"

THE COMMISSIONER: Counsel is, Mr. Yaremko. Throughout this brief you refer to "departmental policy" on the one hand and "regulations" on the other. Am I correct that there were certain departmental policies that were not embodied in the regulations?

A. Yes, that is correct, Mr. Commissioner. I have quoted the relevant

sections of the Corporations Act and the only regulations pertaining to the Department are those which I read earlier on page 23 of the brief which deal with the limitations as to the location of its activities or its premises, clause 1, and clause 2 about the prohibition as to the Criminal Code, the bolts and bars and the gambling paraphernalia.

THE COMMISSIONER: What is the term of reference, Mr. Wilson?

MR. WILSON: "The Administration of "the laws and regulations regarding "the incorporation and operations "of social clubs having regard to "allegations made by the Leader of "the Opposition in his speech of "November 29, 1961."

THE COMMISSIONER: You may anticipate what is going through my mind, Mr. Yaremko. The terms of reference refer to the "laws and regulations".

MR. WILSON: "The Administration of the laws and regulations". If I follow the witness, Mr. Commissioner, there were never any regulations as such until 1954.

THE WITNESS: Yes, and very limited.

THE COMMISSIONER: This brief has to do not with regulations but with internal Department policy. I am just wondering about that.

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MR. WILSON: "The Administration of "the laws and regulations regarding "the incorporation and operations "of social clubs having regard to "allegations made by the Leader of "the Opposition in his speech of "October 19, 1961."

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MR. WILSON: I think the policy arises out of the allegations of the Leader of the Opposition. I mean it becomes relevant to the extent that it is relevant.

THE COMMISSIONER: Perhaps I have not made myself too clear.

THE WITNESS: Mr. Commissioner, you will find that the Department in its brief has given to clause 1 the broadest possible interpretation. In fact, it amounts to the operations of the Department of the Provincial Secretary during that period in respect to social clubs.

THE COMMISSIONER: Yes, but that is not what is concerning me at the moment. I am authorized to inquire into the administration of laws and regulations. Is that the way it reads, Mr. Wilson?

MR. WILSON: "The Administration of the laws and regulations regarding the incorporation and operations of social clubs."

THE COMMISSIONER: All right. Now then, internal rules within the Department that were not regulations, it appears to me, do not come within the scope of the inquiry that I have been authorized to make.

MR. WILSON: Well, to the extent that they constitute administration of the laws and regulations, I would think, respectfully, Mr. Commissioner, they would have some relevance.

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This is the manner in which the Department administered the laws and regulations.

THE COMMISSIONER: By making certain internal rules that did not have the force of regulations?

THE WITNESS: If I may say this, Mr. Commissioner, in this particular chapter we are dealing with cancellation for cause of charters. Now, the Act does not spell out what is sufficient cause. It uses just the broad term -- I refer you back to page 16 -- the Act says:

"Where sufficient cause is shown
"the Lieutenant-Governor may order . . ."

Now, these references are describing to you, sir, the ---

THE COMMISSIONER: What the Department did with respect to defining what type of conduct would constitute a cause?

A. Where sufficient cause is shown, yes.

THE COMMISSIONER: All right. Will you just continue, please.

A. "A press report at the
"end of December, 1959, critized
"the Department for not cancelling
"letters patent of social clubs . . ."

---(Page 29.)

This is the manner in which the Department administered the laws and regulations.

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THE COMMISSIONER: All right. Will you just continue, please.

A. "A press report at the "end of December, 1959, criticized "the Department for not cancelling "letters patent of social clubs . . ."

---(Page 6.)

---(Page 30.)

---(Page 31.)

" To the knowledge of the "Department, the Attorney-General "of Canada (who is of course also "the Minister of Justice) has to "date applied to the court for a "writ of scire facias with respect "to a social club on only two "occasions, the first being with "respect to the Hellenic Colonization "Association mentioned supra, which "was granted in 1946, and the second "being with respect to the Ramsay "Club in respect of which the scire "facias proceedings are, as of this "date, still pending in the court."

THE COMMISSIONER: That would be amended as of now, of course?

A. This means as of March 19th, 1962, of course, the time of the preparation of this brief. Since that date, of course, those proceedings have been completed.

"Corporations incorporated in other "provinces not having gain for any "of their objects . . .(Reading) . . . "He was concerned with social clubs "not properly acreened in the Province "of incorporation coming into Ontario

---(Page 30.)

---(Page 31.)

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"He was concerned with social clubs
"not properly screened in the Province
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"and operating in this Province
"when they could not obtain letters
"patent in Ontario."

THE COMMISSIONER: That difficulty could be overcome by provincial legislation, couldn't it? After all, you are masters in your own house.

A. I am not in a position to answer, Mr. Commissioner. I would take that under advisement and give you the opinion of the Department.

Q. I shouldn't think there would be much doubt about it.

A. Under the present legislation ---

Q. You haven't had to face up to that problem; there have not been any social clubs incorporated in other provincial jurisdictions?

A. Not to my knowledge. I revert back to the first sentence of the last paragraph:

" Corporations incorporated in
"other provinces not having gain for
"any of their objects are not
"required to obtain an extra-
"provincial licence to operate in
"Ontario."

That is under the statutes as they are today, Mr. Commissioner. They can come in and we have no regulatory power in that respect. We have, of course, in respect of

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the filing of returns under the Corporations Information Act.

"XI -- ANALYSIS OF MR. WINTERMEYERS SPEECH

" In this chapter will be
"considered the speech of Mr. Winter-
"meyer commenting at the bottom
"paragraph of the left hand column
"of page 89 of Hansard . . ."

And that, of course, Mr. Commissioner, has already been filed as an exhibit before you.

". . . to the bottom right hand
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---(Page 32.)

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Before I proceed, Mr. Commissioner, not to file as an exhibit but in order perhaps to give you a visual idea of what the filings are like, I have before me the filings appertaining to the Abitibi Golf Club, which I took because it is the first one listed in Appendix F.

Now, Mr. Commissioner, I have in my left hand what is known as the company file, which is the public file. In it will be shown the original application and the correspondence dealing with the original application, a copy of the letters patent, the annual returns filed from year to year. If there were supplementary letters patent issued, they would be in the public file. If there were an order reviving the corporate existence, it would be in the company public file. If there were an order reviving corporate power, it would be in the company file. If there were an order of cancellation, it would be in the company public file. This is that (indicating). It is marked with the letter "C", and the number of the file, and as the different corporations, some 65,000 in the province, are dealt with they all have this company file.

In addition there is what is known as the "O" files. They are the confidential files. These are not in the public office.

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In addition there is what is known as the "O" files. They are the confidential files. These are not in the public office.

They are matters of internal affairs of the Department. And it is in the "O" files, the confidential files, where there appear the police reports, reports of other government agencies, in respect to inquiries carried on by the Department apart from the company files.

I produce it not to file as an exhibit. You may have occasion during the course of the hearing to actually deal with specific files. I produce it at this point to give you a visual understanding of the situation.

I should also like to bring to your attention these matters which would be on file in the company file, the public file, also appear in the Ontario Gazette. I am going to file as exhibits, and perhaps I could file them all as one exhibit, these copies of the Ontario Gazette. One is the Ontario Gazette of Saturday, January 16th, 1960, which is the Notice of Incorporation of the Abthurst-Sheppard Social and Athletic Club Incorporated.

I don't know how long it has been, Mr. Commissioner, since you have had an opportunity to read an Ontario Gazette but that sets out the details of public notice of the issuance of such letters patent.

THE COMMISSIONER: Is it necessary to clutter up the record by filing the Gazettes?

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If you simply said that when letters patent have been granted, notice there of has always been published in the Ontario Gazette, that should suffice.

A. I do not intend to clutter up the record, Mr. Commissioner. I again wanted to give you a visual idea of it. I can leave them without filing them. I can leave them with the Commission counsel.

Q. That would be quite sufficient, if they are available here.

A. Then there is a copy of the Notice of Revival of Corporate Powers. That is in conjunction not with a social club. We couldn't find one of recent date. It is in relationship to the Grimsby Recreation Company Limited, a corporation.

Then there is a notice of -- a whole series of notices of cancellation for failure to file annual returns. There are several pages of those, Mr. Commissioner.

Then a notice of change in Directors.

Then a notice of issuance of supplementary letters patent.

Then a notice of the change of head office, which is required to be filed, moving from one municipality to another.

Then notice of the cancellation for cause. In this instance it is of the Bathurst-Sheppard Athletic and Social Club

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Incorporated. I will leave these with counsel. It is just to illustrate the public knowledge of these items.

MR. WILSON: Proceeding with Chapter 1, pages 33 to 93, the reference to Hansard appears on the left hand side. I propose to have Mr. Carthy read the reference to Hansard following which the witness will give his answer on those portions of the speech that he feels there is an answer called for.

In so doing, Mr. Commissioner, Mr. Carthy will, before mentioning a particular reference, say, "Start relevant", and at the conclusion say "Stop", so that there will be on the record a clear indication of the fact that that is the portion of the transcript in Hansard.

THE COMMISSIONER: May I see the copy of Hansard that has been filed as an exhibit, Exhibit 3? (Produced)

MR. WILSON: I will check these as Mr. Carthy reads them to be sure they are correctly reproduced.

THE COMMISSIONER: Why make this sort of a duet? Why cannot the witness simply say, "Mr. Commissioner, at the bottom of page 89 you will find the following which appears in the left hand column of the brief", and then read it, and say, "Now, this is my reply"?

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MR. WILSON: Well, he could easily do that, though possibly for those who are listening to this evidence it will be rather difficult to follow.

THE COMMISSIONER: Why?

MR. WILSON: Because they will not have before them either a copy of the brief or a copy of Hansard.

THE COMMISSIONER: Well, let us try my suggestion and see how it works out.

THE WITNESS: Mr. Commissioner, I was just wondering if I have made it clear that on the left hand side is reproduced all of Hansard continuously from one point to another. It was my suggestion to Mr. Wilson that since all of it has been reproduced but only portions of it have comments to be made on it, that if I were assisted by having Mr. Carthy read those portions which he will preface with the words "Start relevant" and end "Stop", then I can make my comments. He will proceed then to read Hansard and you will be in a position to follow it and decide whether some portion which the brief has deemed not relevant should have been made relevant. He would read all of Hansard as to that portion but bracket the portion which I have marked for him, which the Department will be making a comment on.

I very respectfully submit that that

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will be of assistance to me in presenting my comments on the right hand side. Of course, I am subject to your ruling, Mr. Commissioner. I don't know whether we have made it clear to you.

THE COMMISSIONER: Is it proposed that Mr. Carthy would, for example, stop at the bottom of the left hand column on page 89 and read from there to the end of the speech?

MR. WILSON: Oh, no, Mr. Commissioner. Possibly I have not made myself clear. If you have before you page 33 of the brief which is filed ---

THE COMMISSIONER: I have.

MR. WILSON: --- he will merely read that portion that appears in the left hand column on page 33, following which the witness would give his answer to that particular allegation.

THE COMMISSIONER: I suggested that the witness can read that part.

MR. WILSON: Well, I think the only thing was maybe that he has a lot of reading and it might just help him.

THE COMMISSIONER: Well, let us try my suggestion anyhow.

THE WITNESS: May I have the copy which I presented to Mr. Carthy? (Produced)

At the top left of page 33 Mr. Wintermeyer said as follows:

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At the top left of page 33 Mr. Winterbottom said as follows:

"'Between 1957 and the middle of this
"year, Mr.Speaker, that is a period
"of four and a half years, 31 so-called
"social clubs lost their charters as a
"result of illegal gambling in
"Metropolitan Toronto. Yet at the
"end of this period there were still
"24 clubs in Metro area suspected of
"illegal gambling by the police.'"

(Page 9206 follows)

"Between 1957 and the middle of this
"year, Mr.Speaker, that is a period
"of four and a half years, 21 so-called
"social clubs lost their charters as a
"result of illegal gambling in
"Metropolitan Toronto. Yet at the
"end of this period there were still
"24 clubs in Metro area suspected of
"illegal gambling by the police."

(Page 9206 follows)

Then, Mr. Commissioner, turning to the comment in the right hand column:

"Mr. Wintermeyer alleges that on

"June 30th, 1961 'there were still

"24 clubs in Metro area suspected

"of illegal gambling by the police.' ---"

THE COMMISSIONER: This is your answer?

A. This is my answer, yes.

Q. Go ahead.

A. "This statement would imply to the public that this Department had not dealt with 24 clubs . . ."

---(Page 33.)

"Sun Sun Social Club,

" Tai Dan Social Club . . ."

THE COMMISSIONER: Just a moment. What do you mean "through Commission counsel he has produced the following list of 24 clubs"?

MR. WILSON: Mr. Commissioner, in preparation for these hearings I had meetings with Mr. MacKinnon and in view of the statement in the speech that there were 24 clubs in the Metro area suspected of illegal gambling by the police, I asked him for particulars of those clubs. There are certain clubs named in the speech. These were not identified as such in the speech. Accordingly, I asked him for the particulars. He gave the particulars to me and in turn I have submitted

Then, Mr. Commissioner, turning to the comment in the right hand column:

"Mr. Wintermeyer alleges that on "June 30th, 1961 'there were still "24 clubs in Metro area suspected "of illegal gambling by the police.' ---"

THE COMMISSIONER: This is your answer?

A. This is my answer, yes.

Q. Go ahead.

A. "This statement would imply to the public that this Department had not dealt with 24 clubs . . ."

---(Page 32.)

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those particulars to the Provincial Secretary's Department, so that we could deal with them here.

THE COMMISSIONER: Well then, when Mr. Yaremko says "through Commission counsel he has produced", he has produced to the Provincial Secretary?

MR. WILSON: Well, Mr. MacKinnon produced the names to me at my request, and through Commission counsel -- I take it he means by that that I produced the names of the clubs given to me by Mr. MacKinnon to Mr. Yaremko.

THE COMMISSIONER: Well, I have never heard of them before. I have heard of some of them but a lot of them I have never heard of before. The way this reads it would appear that Commission counsel had produced as part of the record in the proceedings before me a list of 24 clubs.

MR. WILSON: No, they have not been produced or referred to up until today.

THE COMMISSIONER: All right then, we have that explanation of what that language means.

THE WITNESS: "The Department does "not know whether in fact there were "on June 30th, 1961, 24 clubs in "Metro Toronto suspected by the police "of illegal gambling. . . ."

---(Page 34.)

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---(Page 34.)

"The status of each of the
"clubs set out in Sections I and
"II supra as of June 30th, 1961,
"November 29, 1961, December 11, 1961,
"and March 19, 1962, is indicated
"in the Table opposite."

Mr. Commissioner, if you will pull the fold out you will see on the left hand side the first nine and the second thirteen. They are named and listed there.

Now, on the right hand side of the sheet you will see a listing: "Status as of June 30, 1961." That is the middle of the year 1961. "Status as of November 29, 1961. Status as of December 11, 1961. Status as of March 19, 1962".

Then there is reference to the names of the various clubs:

"1. Acme Card and Social Club --
"cancellation letter sent. (June
"30, 1961) -- hearing called.
"(November 29,1961) -- hearing called
"(December 11, 1961)."

Then, Mr. Commissioner, as of March 19th, 1962, it was cancelled.

"q. Bellevue Bridge and Social
"Club -- hearing called - proceedings
"pending before court (June 30,1961). . ."

THE COMMISSIONER: What was the nature of the proceedings?

"The status of each of the
"clubs set out in Sections I and
"II supra as of June 30th, 1961,
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"Club -- hearing called - proceedings
"pending before court (June 30,1961)."

THE COMMISSIONER: What was the nature of the proceedings?

A. I will be dealing with those in great detail when we come to it, Mr. Commissioner.

Q. Tell me briefly at the moment what they were.

A. That is in relation to conspiracy, I believe.

Q. Some criminal proceedings?

A. Yes.

MR. WILSON: There is a criminal charge pending.

THE WITNESS: We will be dealing with that in greater detail in the brief later on.

MR. WILSON: There has been a conviction, Mr. Commissioner. I am not sure whether there is an appeal pending. I will get the information on that.

THE COMMISSIONER: Was it a conviction ofthe club?

MR. WILSON: I would like to be exact about the answer I give you, so I think it will be necessary to wait for that.

THE WITNESS: On page 42 of the brief you will see that we deal in some detail with the Bellevue Bridge and Social Club. That is mentioned there.

THE COMMISSIONER: All right.

THE WITNESS: "3. Club Bernard --
"cancellation letter sent (June 30,
"1961) - cancelled (November 29,1961).

A. I will be dealing with those in great detail when we come to it, Mr. Commissioner.

Q. Tell me briefly at the moment what they were.

A. That is in relation to conspiracy, I believe.

Q. Some criminal proceedings?

A. Yes.

MR. WILSON: There is a criminal charge pending.

THE WITNESS: We will be dealing with that in greater detail in the brief later on.

MR. WILSON: There has been a conviction, Mr. Commissioner. I am not sure whether there is an appeal pending. I will get the information on that.

THE COMMISSIONER: Was it a conviction of the club?

MR. WILSON: I would like to be exact about the answer I give you, so I think it will be necessary to wait for that.

THE WITNESS: On page 42 of the brief you will see that we deal in some detail with the Bellevue Bridge and Social Club. That is mentioned there.

THE COMMISSIONER: All right.

THE WITNESS: "3. Club Bernard -- "Association Dating from (illegible), 1951) - cancelled (November 29,1951).

"4. Club Macedonia, Toronto --
"cancellation letter sent (June
"30,1961) -- hearing completed
"(November 29, 1961) -- cancelled
"December 11, 1961).

"5. Community Social Club --
"hearing not completed (June 30,
"1961) -- cancelled (November 29,
"1961).

"6. Macedonian Liberal Social Club -
"-- hearing not completed (June 30,
"1961) -- cancelled (November 29,
"1961).

"7. New Canadians Social Club --
"cancellation letter sent - appeal
"pending (June 30,1961) -- appeal
"pending (November 29, 1961) --
"appeal pending (December 11, 1961)
"-- cancelled (March 19, 1962).

"8. The Omega Club -- cancellation
"letter directed to be sent (June
"30, 1961) -- cancelled (November
"29, 1961).

"9. The Preston Amateur, Athletic
"and Social Club of Ottawa --
"hearing called (June 30, 1961) --
"hearing completed (November 29,
"1961) -- cancelled (December 11, 1961)."

Those are the nine in respect of which, as of the 30th of June complaints had been

"4. Club Macedonia, Toronto --
"conciliation letter sent (June
"30,1961) -- hearing completed
"(November 29, 1961) -- cancelled
"December 11, 1961).
"5. Community Social Club --
"hearing not completed (June 30,
"1961) -- cancelled (November 29,
"1961).
"6. Macedonian Liberal Social Club -
"-- hearing not completed (June 30,
"1961) -- cancelled (November 29,
"1961).
"7. New Canadians Social Club --
"conciliation letter sent - appeal
"pending (June 30,1961) -- appeal
"pending (November 29, 1961) --
"appeal pending (December 11, 1961)
"-- cancelled (March 19, 1962).
"8. The Omega Club -- conciliation
"letter directed to be sent (June
"30, 1961) -- cancelled (November
"29, 1961).
"9. The Preston Amateur, Athletic
"and Social Club of Ottawa --
"hearing called (June 30, 1961) --
"hearing completed (November 29,
"1961) -- cancelled (December 11, 1961)."
Those are the nine in respect of which,
as of the 30th of June complaints had been

received by the Department, and this outlines the action taken. Part II is the clubs in respect of which no complaints had been received by the Department on the 30th of June, 1961.

---(The witness reads Part II on page 35)

With respect, Mr.Commissioner, to the Somerset Club and Sun Sun Social Club,I must say that some of these clubs having been mentioned in the speech will be dealt with in some detail later on.

"With respect to Somerset Club
"and Sun Sun Social Club,these
"two clubs are discussed infra . . . ."

---(Page 36.)

"Accordingly, the application for
"the consent was refused in each
"case, but in both cases the
"Department was of the opinion
"that there was not sufficient
"cause to cancel the letters patent
"on the basis of the reports of
"the police."

Now, Mr.Commissioner, I refer tothe left hand side of page 36 where Mr.Wintermeyer stated:

" I am informed that of the
"31 cancellations, 23 resulted from

received by the Department, and this outlines the action taken. Part II is the clubs in respect of which no complaints had been received by the Department on the 30th of June, 1961.

---(The witness reads Part II on page 35)

With respect, Mr.Commissioner, to the Somerset Club and Sun Sun Social Club,I must say that some of these clubs having been mentioned in the speech will be dealt with in some detail later on.

"With respect to Somerset Club
"and Sun Sun Social Club,these
"two clubs are discussed infra . . ."

---(page 36.)

"Accordingly, the application for
"the consent was refused in each
"case, but in both cases the
"Department was of the opinion
"that there was not sufficient
"cause to cancel the letters patent
"on the basis of the reports of
"the police."

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" I am informed that of the
"31 cancellations, 23 resulted from

received by the Department, and this outlines the action taken. Part II is the clubs in respect of which no complaints had been received by the Department on the 30th of June, 1961.

---(The witness reads Part II on page 35)

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"and Sun Sun Social Club, these
"two clubs are discussed infra . . ."

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"Accordingly, the application for
"the consent was refused in each
"case, but in both cases the
"Department was of the opinion
"that there was not sufficient
"cause to cancel the letters patent
"on the basis of the reports of
"the police."

Now, Mr. Commissioner, I refer to the left hand side of page 36 where Mr. Wintermeyer stated:

"... I am informed that of the
"31 cancellations, 23 resulted from

received by the Department, and this outlines the action taken. Part II is the clubs in respect of which no complaints had been received by the Department on the 30th of June, 1921.

---(The witness reads Part II on page 35)

With respect, Mr. Commissioner, to the Somerset Club and Sun Sun Social Club, I must say that some of these clubs having been mentioned in the speech will be dealt with in some detail later on.

"With respect to Somerset Club
"and Sun Sun Social Club, these
"two clubs are discussed infra . . ."

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"Accordingly, the application for
"the consent was refused in each
"case, but in both cases the
"Department was of the opinion
"that there was not sufficient
"cause to cancel the letters patent
"on the basis of the reports of
"the police."

Now, Mr. Commissioner, I refer to the left hand side of page 36 where Mr. Wintermeyer states:

" I am informed that of the
"21 cancellations, 23 resulted from

get that. I thought it was in this brief but it does not appear to be.

THE WITNESS: They are not dealt with by name.

THE COMMISSIONER: Well, we will get them on the record now, Mr. Yaremko.

MR. WILSON: Mr. Greer points out, Mr. Commissioner, that a copy of this letter was addressed to you as well as to myself. The list, a copy of which I now have, is as follows -- it is headed: "Chartered Social Clubs" and it reads:

"(a) Charters cancelled January 1,
"1957, to December 31, 1957:
" (a) Cancelled as a result of
" convictions for betting
" and/or ~~gambling~~ gaming:
"1. Springburn Club, 1764 St.Clair
" Avenue West, (gaming)
" (b) Cancelled as a result of
" adverse reports submitted -- nil.
"Charters cancelled January 1, 1958,
"December 31, 1958 ---"

THE COMMISSIONER: What are you reading from?

MR. WILSON: I am reading from the first page of the document I trust Mr. Carthy has given you a copy of.

THE COMMISSIONER: The one handed to me is unlike that.

get that. I thought it was in this brief but it does not appear to be.

THE WITNESS: They are not dealt with by name.

THE COMMISSIONER: Well, we will get them on the record now, Mr. Yaremko.

MR. WILSON: Mr. Greer points out, Mr. Commissioner, that a copy of this letter was addressed to you as well as to myself. The list, a copy of which I now have, is as follows -- it is headed: "Chartered Social Clubs" and it reads:

"(a) Charters cancelled January 1, "1957, to December 31, 1957:

" (a) Cancelled as a result of

" convictions for betting

" and/or gambling gaming:

"1. [illegible] Club, [illegible] [illegible]

" [illegible] (gaming)

" (b) Cancelled as a result of

" adverse reports submitted -- nil.

"December 31, 1958 ---"

THE COMMISSIONER: What are you reading from?

MR. WILSON: I am reading from the first page of the document I trust Mr. Carthy has given you a copy of.

THE COMMISSIONER: The one handed to me is unlike that.

MR. WILSON: I asked him to hand you a copy of what I was reading.

MR. CARTHY: I am sorry; that is page 2.

MR. WILSON: Yes, I think what he has done, Mr. Commissioner, is given you page 2 of the document from which I am reading naturally page 1.

THE COMMISSIONER: All right.

MR. WILSON: (Reading):

"Charters cancelled January 1, 1958,
"to December 31, 1958:
" (a) Cancelled as a result
" of convictions for betting
" and/or gaming:
"1. D'Arcy Athletic Club, 264 Yonge
" Street, (gaming).
"2. Montcalm Amateur Athletic
" Assocation, 1289 Bloor Street
" West, (gaming conviction in Ottawa,
" location of head office).
" (b) Cancelled as a result of
" adverse reports submitted - nil.
"Charters cancelled January 1, 1959
"to December 31, 1959:
" (a) Cancelled as a result of
" convictions for betting
" and/or gaming:
" Dorchester Club of Picton,
" 111½ King Street West,

MR. WILSON: I asked him to hand you a copy of what I was reading.

MR. CARTHY: I am sorry; that is page 6.

MR. WILSON: Yes, I think what he has done, Mr. Commissioner, is given you page 2 of the document from which I am reading naturally page 1.

THE COMMISSIONER: All right.

MR. WILSON: (reading):

"Charters cancelled January 1, 1958, "to December 31, 1958:

" (a) Cancelled as a result " of convictions for betting " and/or gaming:

"1. D'Arcy Athletic Club, 264 Yonge Street, (gaming).

"2. Montcalm Amateur Athletic Association, 1554 Upper Canada " West, (gaming conviction in Ottawa, " location of head office).

" (b) Cancelled as a result of " adverse reports submitted - nil.

"Charters cancelled January 1, 1959 "to December 31, 1959:

" (a) Cancelled as a result of " convictions for betting " and/or gaming:

" Dorchester Club of Fulton, 1113 Sherbrooke West,

"Portugese Canadian Association
"of Toronto, 274 College Street,
"Union Jack Social Club, 1601
"Dundas Street West,
"Jan Loi Social Club (operating
"under Iroquois Amusement Parlour)
"of Ansonville, 121 Dundas Street
"West,
"Total - 4.
"(b) Cancelled for cause as a result
"of reports submitted -- nil.
"Charters cancelled January 1, 1960
"to December 31, 1960:
"(a) Cancelled as a result of
"convictions for betting and/or
"gaming:
"Athene Bridge Club and Branch,
"799 Dundas Street West and
"3681A Bathurst Street.
"Feno Club, 201½ Beverley Street.
"Finnish Social Club of Timmins
"and Branch, 132-Sixth Street,
"New Toronto, and 1595 Lake Shore
"Road, New Toronto."

Then, Mr. Commissioner, on page 2:

"Chartered social club
"(a) Cancelled as a result of . . - "

THE COMMISSIONER: Well, it is just a continuation.

MR. WILSON: Yes, it is a continuation of

Lakeside Bowling Association

" of Toronto, 274 College Street,

Union Men's Social Club, 1401

Queen Street West,

" Jan Lot Social Club (operating

" under Iroquois Amusement Parlour)

" of Ansonville, 121 Dundas Street

" West,

" Total - 4.

" (b) Cancelled for cause as a result

" of reports submitted -- nil.

"Charters cancelled January 1, 1950

"to December 31, 1950:

" (a) Cancelled as a result of

" convictions for betting and/or

gaming:

" Athene Bridge Club and Branch,

" 799 Dundas Street West and

Junia Mahogany Ave.

" Keno Club, 201½ Beverley Street.

" Finnish Social Club of Timmins

" and Branch, 132-Sixth Street,

" New Toronto, and 1595 Lake Shore

" Road, New Toronto."

Then, Mr. Commissioner, on page 2:

"Chartered social club

" (a) Cancelled as a result of " "

THE COMMISSIONER: Well, it is just a continuation.

MR. WILSON: Yes, it is a continuation of

what I am reading for that period.

"Garden Centre Recreation Club,
"3015 Bathurst Street.
"Independent Christian Association,
"335 Euclid Avenue.
"Kells Club, 1201A St.Clair Avenue
"West.
"Spadina Card and Social Club, 560
"King Street West.
"St.Patrick's Recreational Club, 41
"Clinton Street.
"Twin City Social Club, 99½ - 7th
"Street,-New Toronto.
"West End Bridge and Social Club,
"1284 Queen Street West.
"Central Recreation Club (appeal),
"249 Victoria Street.
"Jordan Club and Branch, 104 Adelaide
"Street West and 881 Eglinton Avenue
"West.
"Glenbrook Country Club, 799 Dundas
"Street West.
"Sorauren Club, 280 Yonge Street.
"Total - 14.
" (b) Cancelled for cause as a
" result of reports submitted:
"Border City Rendevous Club, Dundas
"Highway, Toronto Township, Ontario.
"Centre Road Veterans Club, Centre
"Road, Cooksville, Ontario.

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"Garden Centre Recreation Club,

"3015 Bathurst Street.

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"Kells Club, 1201A St.Clair Avenue

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"King Street West.

"St.Patrick's Recreational Club, 41

"Clinton Street.

"Twin City Social Club, 99½ - 7th

"Street, New Toronto.

"West End Bridge and Social Club,

"1284 Queen Street West.

"Central Recreation Club (special),

"249 Victoria Street.

"Jordan Club and Branch, 104 Adelaide

"Street West and 881 Eglinton Avenue

"West.

"Glenbrook Country Club, 799 Dundas

"Street West.

"Sorauren Club, 280 Yonge Street.

"Total - 14.

" (b) Cancelled for cause as a

" result of reports submitted:

"Border City Rendezvous Club, Dundas

"Highway, Toronto Township, Ontario.

"Centre Road Veterans Club, Centre

"Road, Cooksville, Ontario.

"Colombia Bridge Club, 372½
"Yonge Street.
"Nottawa Community Club, 1601
"Dundas Street West.
"Thames River Hunt and Shooting
"Club, Dundas Highway, Toronto
"Township, Ontario.
"Greek Canadian Social Club, 1289
"Bloor Street West.
"Divion Club, 1284 Queen Street
"West ---"

THE COMMISSIONER: That was also the address of the West End Bridge and Social Club.

MR. WILSON: That is right, Mr.Commissioner.

"Riverside Yacht Club, Dundas
"Highway, Toronto Township, Ontario.
"Total - 8.
"Grand Total - 22."

Then on the third page, Mr. Commissioner:

"Charters cancelled January 1, 1960
"to May 15, 1961:
" (a) Cancelled as a result of
" convictions for betting and/or
" gaming
"1. Lakeview Athletic Club, 2016A
"Bathurst Street - (betting).
"2. Clarion Club, 501 Yonge Street,
"(betting)."

THE COMMISSIONER: All right.

"Yonge Street.

"Nottawa Community Club, 1601

"Dundas Street East.

"Thames River Hunt and Shooting

"Club, Dundas Highway, Toronto

"Township, Ontario.

"Greek Canadian Social Club, 1289

"Bloor Street West.

"Ditton Club, 1284 Queen Street

"West ---

THE COMMISSIONER: That was also the address of the West End Badge and Social Club.

MR. WILSON: That is right, Mr.Commissioner.

"Riverside Yacht Club, Dundas

"Highway, Toronto Township, Ontario.

"Total - 8.

"Grand Total - 22."

Then on the third page, Mr. Commissioner:

"Charges cancelled January 1, 1947

"to May 15, 1947:

" (a) Cancelled as a result of

" convictions for betting and/or

" gaming

"1. Lakeview Athletic Club, 2016A

"Bathurst Street - (betting).

"2. Clarion Club, 501 Yonge Street,

"(betting)."

THE COMMISSIONER: All right.

MR. WILSON: That is the list. Perhaps, Mr. Commissioner, you would like to have a copy of that list filed.

THE COMMISSIONER: No, you have read it into the record. That is good enough.

THE WITNESS: Mr. Commissioner, I bring to your attention perhaps atthis point that my comments at this time do not deal with clubs by name. You have had read into the record a certain list which was produced by Mr. MacKinnon. I just bring to your attention Appendix K. I will be going into it in more detail later on, but I just want to bring it to your attention and remind you ofthe awareness of it because -- I am sorry, Appendix J. That is the cancelled club charters.

THE COMMISSIONER: Yes.

THE WITNESS: You will see an index dealing with the clubs which have been cancelled from the first day of July, 1950. They are set out in chronological order and then in alphabetical order and then summarized. Those clubs, the names of which have been read into the record, will be appearing, and the particulars given in Appendix J, and also in Appendix K where there is Chief Mackey's list, the list of complaints that he has made.

My comment at this point in dealing with

MR. WILSON: That is the list. Perhaps, Mr. Commissioner, you would like to have a copy of that list filed.

THE COMMISSIONER: No, you have read it into the record. That is good enough.

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THE COMMISSIONER: Yes.

THE WITNESS: You will see an index dealing with the clubs which have been cancelled from the first day of July, 1950. They are set out in chronological order and then in alphabetical order and then summarized. Those clubs, the names of which have been read into the record, will be appearing, and the particulars given in Appendix J, and also in Appendix K where there is Chief Mackey's list, the list of complaints that he has made.

My comment at this point in dealing with

some figures that he is suing and the statements that he is making.

THE COMMISSIONER: He says there were 31 cancellations?

A. That's right.

Q. You say 39?

A. He says 31 cancellations, 23 resulting from court convictions for either gaming or betting and 8 from police representations to the Honourable Provincial Secretary, and he exercised his discretionary power to cancel when there is good reason to believe that the charter is being used for illegal gaming. That is a whole sentence. Our comment follows on the right hand side.

Q. Well, you break it down.

A. Yes, we break the statistics down.

Q. So that I may be clear about it ---

A. If you were to read the left hand side, the statement, it implies that 31 cancellations were made and the reason for cancellation was thatthey were being used for illegal gaming. On the right hand side we give the true total, which states that the letters patent -- that the Department cancelled within Metropolitan Toronto the letters patent of the 31 corporations listed by Mr. Wintermeyer for the Commission which list includes two corporations not with social

some figures that he is using and the statements that he is making.

THE COMMISSIONER: He says there were 31 cancellations?

A. That's right.

Q. You say 39?

A. He says 31 cancellations, 23 resulting from court convictions for either gaming or betting and 8 from police representations to the Honourable Provincial Secretary, and he exercised his discretionary power to cancel when there is good reason to believe that the charter is being used for illegal gaming. That is a whole sentence. Our comment follows on the right hand side.

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objects plus four other corporations with social objects not listed by him, making a total of 35 corporations of which the causes for cancellation were as follows, and there we break it down:

"15 -- For gaming convictions,

" 5 -- betting convictions,

" 1 -- suspicion of illegal betting ---"

Q. Well, there are 23 there, Mr. Yaremko, dealingwith illegal gambling. It totals 23.

A. Yes, then there are the remainder ---

Q. That is the number he stated.

A. Yes.

Q. Either for gaming or betting?

A. Yes. Then there follows:

"1 -- Failure to file annual "returns.

"2 -- Liquor convictions,

"2 -- Evidence of illegal gaming,

"3 -- Operating aftercorporate "powers had been forfeited,

"5 -- Failure to produce books when "required,

"1 -- Violation of provisions of "Letters Patent.

" By November 29, 1961, the "number cancelled was 39 and by "December 11 the number was 43; by

objects plus four other corporations with social objects not listed by him, making a total of 35 corporations of which the causes for cancellation were as follows, and there we break it down:

"15 -- For gaming convictions,

" 5 -- betting convictions,

" 1 -- suspicion of illegal betting ---"

Q. Well, there are 23 there,

Mr. Yaremko, dealingwith illegal gambling. It totals 23.

A. Yes, then there are the remainder ---

Q. That is the number he stated.

A. Yes.

Q. Either for gaming or betting?

A. Yes. Then there follows:

"1 -- Failure to file annual

"statements,

"2 -- Liquor convictions,

"2 -- Evidence of illegal gaming,

"3 -- Operating afterforporate

"powers had been forfeited,

"5 -- Failure to produce books when

"required,

"1 -- Violation of provisions of

"Taxing Act.

" By November 29, 1961, the

"number cancelled was 29 and by

"December 11 the number was 43; by

"March 19, 1962, the date of the
"brief, the number was 46 . . ."

Mr. Commissioner, I ask you to strike out the word "and" and insert the word "as", so that it reads:

". . .the number was 46 as a
"further 3 were cancelled where
"proceedings had been instituted
"prior to November 29, 1961."

Q. How many cancellations had there been at the time the speech was made?

A. 39. As of November 29, 1961, the number cancelled was 39.

Q. He says there were 31.

A. Yes, and he gave his reasons for it, and we have a breakdown on the right.

Q. All right. I understand that. Thank you.

A. Now, there are no comments in respect of the balance on the left hand side of page 36.

(Page 9230 follows)

"March 19, 1962, the date of the

"brief, the number was 46 . . ."

Mr. Commissioner, I ask you to strike

out the word "and" and insert the word "as",

so that it reads:

". . .the number was 46 as a

"further 3 were cancelled where

"proceedings had been instituted

"prior to November 29, 1961."

Q. How many cancellations had there

been at the time the speech was made?

A. 39. As of November 29, 1961,

the number cancelled was 39.

Q. He says there were 21.

A. Yes, and he gave his reasons for

it, and we have a breakdown on the right.

Q. All right. I understand that.

[illegible]

A. Now, there are no comments in

respect of the balance on the left hand side

of page 36.

(Page 9230 follows)

Then on 37 where it states "89r", Mr. Wintermeyer states:

"In December of 1960, when confessed "gambler Max Blustein was convicted "of operating the Lakeview Club on "Eglinton Avenue, ---"

And on the right our comment is -- and this is an instance where there is just a name given and we are giving you particulars of the status of that club:

"Lakeview Athletic Club incorporated "under The Companies Act by Letters "Patent dated August 5th, 1932.

" The Department received a "report from The Metropolitan "Toronto Police of the conviction "of three persons for keeping a common "betting house on the premises of "the club.

" The Department wrote to the "club advising that the charter "would be cancelled for cause unless "cause were shown to the contrary.

" No hearing was requested by "the club.

" On March 2nd, 1961, an order "was made cancelling the charter "for cause."

Then where the figure is "90 1" on the left:

Then on 37 where it states "89r", Mr. Wintermeyer states:

"In December of 1960, when confessed
"gambler Max Blustein was convicted
"of operating the Lakeview Club on
"Eglinton Avenue, ---"

And on the right our comment is -- and this is an instance where there is just a name given and we are giving you particulars of the status of that club:

"Lakeview Athletic Club incorporated
"under The Companies Act by letters
"patent dated August 5th, 1932.
" The Department received a
"report from The Metropolitan
"Toronto Police of the conviction
"of three persons for keeping a common
"betting house on the premises of
"the club.
" The Department wrote to the
"club advising that the charter
"would be cancelled for cause unless
"cause were shown to the contrary.
" No hearing was requested by
"the club.
" On March 2nd, 1961, an order
"was made cancelling the charter
"for cause."

Then where the figure is "90 I" on the left:

"After the raid on the Centre Road "Veterans Club the police found "lists of gamblers totalling 1,464 "persons. Of these 1,098 were "members of the Veterans Club and "336 were members of the Jordan "Club, a downtown Toronto club ---"

On the right we bring to your attention that the Centre Road Veterans Association Letters Patent were cancelled, and that will be discussed infra in more detail later on in the brief.

"Jordan Chess and Bridge Club, "incorporated under The Ontario "Companies Act by Letters Patent "datdd April 30th, 1932.

" The Department received a "report from The Metropolitan Toronto "Police of the conviction of the "club for keeping a common betting "house.

" The Department wpote to the "club advising that the charter "would be cancelled for cause unless "cause were shown to the contrary.

" No hearing was requested by "the club.

" On November 14, 1960, an "order was made cancelling the charter "for cause."

"After the raid on the Centre Road
"Veterans Club the police found
"lists of gamblers totalling 1,464
"persons. Of these 1,098 were
"members of the Veterans Club and
"336 were members of the Jordan
"Club, a downtown Toronto club ---"

On the right we bring to your attention that the Centre Road Veterans Association Letters Patent were cancelled, and that will be discussed infra in more detail later on in the brief.

"Jordan Chess and Bridge Club,
"incorporated under The Ontario
"Companies Act by Letters Patent
"dated April 20th, 1950.

" The Department received a
"report from The Metropolitan Toronto
"Police of the conviction of the
"club for keeping a common betting
"house.

" The Department wrote to the
"club advising that the charter
"would be cancelled for cause unless
"cause were shown to the contrary.

" No hearing was requested by
"the club.

" On November 14, 1950, an
"order was made cancelling the charter
"for cause."

On the next page, 38, at the bottom of the page on the left hand side it says:

"Mr. Speaker, there has been evidence "in the courts and reference in this House on previous accasions concerning "three of the largest gambling clubs "in the Province in the past 10 years -- "The Roseland Club in Windsor, the "Frontier Club in Fort Erie, the "Centre Road Veterans Club in "Cooksville."

And my comments on the right are:

"Roseland Veterans Association Letters "Patent cancelled. Will be discussed "infra.

" Frontier Veterans Association -- "no complaints received at date of "speech. Reports made by O.P.P. on "February 20th, 1962. Will be "discussed infra."

That has, since the publication of the brief, been cancelled.

" Centre Road Veterans "Association Letters Patent cancelled. "Will be discussed infra."

Then on page 39, about the middle of the page on the left at "90 1", Mr. Wintermeyer states:

" There has been evidence in "court concerning the Ramsey Club in

On the next page, 38, at the bottom of the page on the left hand side it says:

"Mr. Speaker, there has been evidence
"in the courts and reference in this
House on previous occasions concerning
"three of the largest gambling clubs
"in the Province in the past 10 years --
"The Roseland Club in Windsor, the
"Frontier Club in Port Erie, the
"Centre Road Veterans Club in
"Cookville."

And my comments on the right are:

"Roseland Veterans Association Letters
"patent cancelled. Will be discussed
"infra.
" Frontier Veterans Association --
"no complaints received at date of
"speech. Reports made by O.P.P. on
"February 20th, 1962. Will be
"discussed infra."

That has, since the publication of the brief, been cancelled.

"Centre Road Veterans
"Association Letters Patent cancelled.
"Will be discussed infra."

Then on page 39, about the middle of the page on the left at "90 I", Mr. Winterbottom states:

" There has been evidence in
"court concerning the Ramsey Club in

"Niagara Falls. Mr. Speaker, the
"relations between this club and the
"Frontier Club in Fort Erie ---"
On the right the comment is:
" Frontier Veterans Association --
"no complaint ---"
And it is repetition of the earlier remark.
"No complaint received at date of
"speech. Report made by O.P.P. on
"February 20th, 1962. Will be
"discussed infra."
And that has since been cancelled.
" The Ramsey Club was incor-
"porated under The Dominion Companies
"Act. Accordingly this Department
"had no jurisdiction.
" The question of federal
"incorporations was discussed supra.
"The Department understands that at
:the date hereof proceedings are
"pending in the court by the Attorney
"General of Canada for a writ of
"scire facias to annul the Letters
"Patent of this club."
They have, of course, since then been completed and cancellation has taken place.

On page 40 Mr. Wintermeyer refers to the James Bay Goose Club, and my comment on the right is as follows:

" James Bay Goose Club Limited.

"Niagara Falls. Mr. Speaker, the
"relations between this club and the
"Veterans' Club in Fort-Erie ---"
On the right the comment is:
" Frontier Veterans Association --
"no complaint ---"
And it is repetition of the earlier remark,
"No complaint received at date of
"speech. Report made by O.P.P. on
"February 20th, 1962. Will be
"discussed infra."
And that has since been cancelled.
" The Ramsey Club was incor-
"porated under The Dominion Companies
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"pending in the court by the Attorney
"General of Canada for a writ of
"scire facias to annul the Letters
"Patent of this club."
They have, of course, since then been completed
and cancellation has taken place.
On page 40 Mr. Interwoyer refers to
the James Bay Goose Club, and my comment on
the right is as follows:
" James Bay Goose Club Limited.

"This corporation was incorporated on "August 15th, 1956. The objects were "not of a social nature but rather "'to establish, maintain and operate "hotels, restaurants, inns, cafes, "bakeries, taverns, lodges, tourist "lodges, summer hotels and summer "resorts'.

" No complaint has ever been "received by the Department in respect "of this corporation either from the "police or any one else."

I will pass by to page 42, the paragraph marked "92 r", the second sentence:

"On April 25th of this year the Bellevue "Bridge and Social Club and a number "of other places were raided. Nine "men were charged with conspiracy "to operate several betting houses. "Since their names and histories are "instructive, I shall give them to "the House:

" Freddy Gabourie of Bathurst "Street; Jack Weaver of Chelwood Road; "Harry Ikeman of Eglinton Avenue; "Max Silver of Crawford Street; "Arthur Larder of Spadina Avenue; "Tim Buckley of Royal York Road; Mr. "Goldenberg of Arlington Avenue; "Alex Robinson of Tyndall Avenue and

"This corporation was incorporated on
"not of a social nature but rather
"'to establish, maintain and operate
"hotels, restaurants, inns, cafés,
"bakeries, taverns, lodges, tourist
"lodges, summer hotels and summer
"resorts'.

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"received by the Department in respect
"of this corporation either from the
"police or any one else."

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"Bridge and Social Club and a number
"of other places were raided. Nine
"men were charged with conspiracy
"to operate several betting houses.
"Since their names and histories are
"instructive, I shall give them to
"the House:

" Freddy Gabourie of Bathurst
"Street; Jack Weaver of Chelwood Road;
"Harry Lkeman of Wellington Avenue;
"Max Silver of Crawford Street;
"Arthur Larder of Spadina Avenue;
"Tim Buckley of Royal York Road; Mr.
"Goldenberg of Arlington Avenue;
"Alex Robinson of Tyndall Avenue and

"Hugh O'Gara of Eglinton Avenue."
And this was the one that you were inquiring about earlier,Mr. Commissioner. On the right the comments are:

"Bellevue Bridge and Social Club
"incirporated under The Ontario
"Companies Act, October 22nd, 1938 . . ."
---(Page 43)

"... As is set out supra, it has been
"departmental practice not to proceed
"with cancellation proceedings until
"all judicial proceedings have been
"completed."

MR. WILSON: Mr. Commissioner, I have the information in regard to that charge now, the charge against Gabourie and five other persons of conspiracy for keeping a common betting house. There has been a commital for trial but the trial has not taken place.

THE WITNESS: The commital. On page 43 marked "93 1", Mr.Wintermeyer states as follows:

"... For the present I wish only
"to draw the atention of the House
"to the fact that Jack Weaver of
"41 Chelwood Road, Toronto, is on
"record with the Department of the
"hon.Provincial Secretary (Mr.Yaremko)
"as being a director of the Divion
"Club from early 1959 until the club

"Hugh O'Gara of Eglinton Avenue."

And this was the one that you were inquiring about earlier, Mr. Commissioner. On the right the comments are:

"Bellevue Bridge and Social Club
"incorporated under The Ontario
"Companies Act, October 22nd, 1938 . . ."

---(page 43)---

" As is set out supra, it has been
"departmental practice not to proceed
"with conciliation proceedings until
"all judicial proceedings have been
"completed."

MR. WILSON: Mr. Commissioner, I have the information in regard to that charge now, the charge against Gabourie and five other persons of conspiracy for keeping a common betting house. There has been a commital for trial but the trial has not taken place.

THE WITNESS: The commital. On page 43 marked "93 I", Mr. Winterneyer states as follows:

" For the present I wish only
"to draw the attention of the House
"to the fact that Jack Weaver of
"41 Cheiwood Road, Toronto, is on
"record with the Department of the
"as being a director of the Divion
"club from early 1939 until the club

"lost its charter in October of 1960
"as a result of police representations . . ."

---(Page 44)

". . .Officials were still writing
"Mr. Weaver on November 30th, 1960,
"to complain that the club's annual
"return had not been filed."
The comment is as follows:

---(Page 43)

". . . Divion Club Incorporated under
"The Ontario Companies Act by Letters
"Patent dated November 20th, 1934 . . ."

---(Page 44)

". . . as notice of the cancellation
"had not then appeared in the Ontario
"Gazette."

And I refer you for a moment, I bring your attention back, Mr. Commissioner, to the scope of the Department's work, and we took as read statistics on page 10. I bring to your attention that in respect of corporations filing annual returns, in 1960 there were 53,000; in 1961 there were 55,000; and in the total of the last twelve years there were 405,000 returns handled by the Department.

On the left hand side ---

THE COMMISSIONER: Well, let us have ten

"lost its charter in October of 1950
"as a result of police representations . . .

---(page 44)

". . .Officials were still writing
"Mr. Weaver on November 30th, 1950,
"to complain that the club's annual
"return had not been filed."
The comment is as follows:

---(page 43)

" Dixton Club Incorporated under
"The Ontario Companies Act by Letters
"Patent dated November--th, 1919. . .

---(page 44)

". . . as notice of the cancellation
"had not then appeared in the Ontario
"Gazette."

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On the left hand side ---

THE COMMISSIONER: Well, let us have ten

minutes.

---A short recess.

THE WITNESS: Mr. Commissioner, I had just completed reading the comments on the Divion Club. I would ask your indulgence just to revert back to the Bellevue Bridge and Social Club.

Mr. Wilson brought to my attention the state of the procedings in respect to the conspiracy charge. I think that judicial knowledge can be taken of the fact that of the ten men charged in that case, only six have been committed for trial after the preliminary hearing, and I understand that the following were discharged: Max Silver, Phineas Goldenberg, and Arthur Larder. I think that is the situation as it now stands, Mr. Wilson.

MR. WILSON: Well, I haven't the names of those who were discharged. I have the names of those who were committed.

A. Well, I have read the names of the three that were discharged.

Middle of page 44, "93 1", Mr. Wintermeyers states as follows:

"I turn now, Mr. Speaker, to "Harry Eisen and Arthur Larder. "Eisen was from 1955 to 1958 a "director of the Somerset Club in

minutes.

---A short recess.

THE WITNESS: Mr. Commissioner, I had just completed reading the comments on the Divion Club. I would ask your indulgence just to revert back to the Bellevue Bridge and Social Club.

Mr. Wilson brought to my attention the state of the proceedings in respect to the conspiracy charge. I think that judicial knowledge can be taken of the fact that of the ten men charged in that case, only six have been committed for trial after the preliminary hearing, and I understand that the following were discharged: Max Silver, Phineas Goldenberg, and Arthur Larder. I think that is the situation as it now stands,

Mr. Wilson.

MR. WILSON: Well, I haven't the names of those who were discharged. I have the names of those who were committed.

A. Well, I have read the names of the three that were discharged.

Middle of page 44, "93 I", Mr. Winter-meyers states as follows:

" I turn now, Mr. Speaker, to "Harry Eisen and Arthur Larder.

"Eisen was from 1955 to 1958 a "director of the Somerset Club in

"North York, a club suspected by the
"police of illegal gambling."
And on the right I indicate that Somerset Club will be discussed infra. A short comment was made earlier. It will be discussed in detail later on.

"On the left under "93 1":
"After 1958 he was a director of the
"Bellevue Club. The file on the
"Bellevue Club does not show an
"Arthur Larder, L-a-r-d-e-r, but
"it does show an Arthur Larter,
"l-a-r-t-e-r, of 397 Spadina
"Avenue, as a director in 1960.
"And it would appear they are one
"and the same man."

On the right I say the Bellevue Bridge and Social Club was discussed supra, and Mr. Larder or Mr. Larter was one of the men who were discharged on the preliminary hearing.

"On the left under "93 1":
"Tim Buckley, another of the men
"arrested April 25th on the charge
"of conspiracy to operate several
"betting houses appears in the
"file of the Columbia Bridge Club
"of Toronto as a director in 1959.
"The Columbia Club's charter was
"dissolved for cause a year before
"Mr. Buckley was arrested on the

"North York, a club suspected by the
"police of illegal gambling."

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"Bellevue Club does not show an
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"it does show an Arthur Larter,
"L-a-r-t-e-r, of 297 Spadina
"Avenue, as a director in 1950.
"And it would appear they are one
"and the same man."

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"Tim Buckley, another of the men
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"of conspiracy to operate several
"betting houses appears in the
"file of the Columbia Bridge Club
"of Toronto as a director in 1959.
"The Columbia Club's charter was
"dissolved for cause a year before
"Mr. Buckley was arrested on the

"conspiracy charge. Phinias Goldenberg
"of Arlington Avenue is I presume either
"the same or a close relative of Percy
"Goldenberg of 243 Arlington Avenue,
"Toronto, who is identified in the
"Bellevue Club file as a club director
"from 1958 to 1961."

The comment on the right is as follows:

" Columbia Bridge Club incorporated
"under The Ontario Companies Act by
"Letters patent dated August 13th, 1936.
"The Department received a report from
"The Metropolitan Toronto Police
"alleging that the club was operating
"a common gaming house.

" The Department wrote to the
"club advising that the charter would
"be cancelled for cause unless cause
"were shown to the contrary.

" A hearing was requested by the
"club.

" On March 23rd, 1960, an order
"was made cancelling the charter for
"cause."

On page 45 under "93 r" Mr. Wintermeyer states:

" Alex Robinson of Tyndall Avenue
"was a director of the West End Bridge
"and Social Club, Toronto, from 1953
"until the club was convicted for

"conspiracy charge. Phinias Goldenberg
"of Arlington Avenue is I presume either
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"was a director of the West End Bridge
"and Social Club, Toronto, from 1953
"until the club was convicted for

"illegal gambling in 1960."

The comment on the right is as follows:

"West End Bridge and Social Club
"incorporated under The Ontario
"Companies Act, by Letters Patent
"dated February 11th, 1939.
"The Department received a
"report from The Metropolitan Toronto
"Police of the conviction of the club
"for keeping a common betting house.
"The Department wrote to the club
"advising that the charter would be
"cancelled for cause unless cause
"were shown to the contrary.
"No hearing was requested by
"the club.
"On May 27th, 1960, an order
"was made cancelling the charter for
"cause."

On the left again, Mr. Wintermeyer states:

"From 1954 to 1956 he was a
"director of the Club Bernard, a
"club still operating and suspected
"of illegal gambling by the Toronto
"Police."

On the right the comment is:

"Club Bernard incorporated
"under the Ontario Companies Act,
"by Letters Patent dated January 6th,
"1948.

"illegal gambling in 1960."

The comment on the right is as follows:

"West End Bridge and Social Club
"incorporated under The Ontario
"Companies Act, by Letters Patent
"dated February 11th, 1939.
" The Department received a
"report from The Metropolitan Toronto
"Police of the conviction of the club
"for keeping a common betting house.
"The Department wrote to the club
"advising that the charter would be
"cancelled for cause unless cause
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" From 1954 to 1956 he was a
"director of the Club Bernard, a
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"of illegal gambling by the Toronto
"Police."

On the right the comment is:

" Club Bernard incorporated
"under the Ontario Companies Act,
"by Letters Patent dated January 6th,
"1948.

"The Department received a report
"from The Metropolitan Toronto Police
"of the conviction of two persons for
"keeping a common gaming house on the
"premises of the club. The Department
"wrote to the club advising that the
"charter would be cancelled for cause
"unless cause were shown to the
"contrary.
"No hearing was requested by
"the club.
"On July 10th, 1961, an order
"was made cancelling the charter for
"cause.
"If as alleged to Mr. Wintermeyer ---"

That should be:

"If as alleged by Mr. Wintermeyer"

instead of "to" --

"If as alleged by Mr. Wintermeyer
"on November 29th, 1961, the club was
"'still operating' it was doing so
"under an unincorporated status."

On page 46 at the middle of the page, "93 r", Mr. Wintermeyer states:

"Has he not received both from
"the Provincial Police and the
"Metropolitan Toronto Police lists
"of clubs suspected of gaming or
"betting? . . .
"But I am not going to disclose

"The Department received a report
"from The Metropolitan Toronto Police
"of the conviction of two persons for
"keeping a common gaming house on the
"premises of the club. The Department
"wrote to the club advising that the
"charter would be cancelled for cause
"unless cause were shown to the
"contrary.

"No hearing was requested by
"the club.

"On July 10th, 1921, an order
"was made cancelling the charter for
"cause.

"If as alleged to Mr. Wintermeyer ---"

That should be:

"If as alleged by Mr. Wintermeyer"

instead of "to" --

"If as alleged by Mr. Wintermeyer
"on November 29th, 1921, the club was
"'still operating' it was doing so
"under an unincorporated status."

On page 46 at the middle of the page, "23 r",
Mr. Wintermeyer states:

"Has he not received both from
"the Provincial Police and the
"Metropolitan Toronto Police lists
"of clubs suspected of gaming or
"betting? . . .

"But I am not going to disclose

"all the names because I do not believe
"they should be disclosed unnecessarily."
On the right the comment of the
Department is as follows:
"Re; lists and records. Mr. Winter-
"meyer states, 'Has he not received
"both from the Provincial Police
"and the Metropolitan Toronto Police
"lists of clubs suspected of gaming
"and betting?'
" The Department has related
"supra its co-operation and contacts
"with the police.
" The police generally wait
"until a conviction is registered
"before reporting to the Provincial
"Secretary and only in rare cases
"do they make a report of 'suspected
"clubs'.
" The Department refers to the
"fact that since July 1st, 1950,
"75 clubs have been cancelled on
"complaint of the police (Appendix J).
"It also refers to Chief Mackey's
"list in Appendix K where every
"complaint has been dealt with,
"leading to cancellation, and the
"remaining being under proceedings
"for cancellation."
Now, Mr. Commissioner, Appendices J and K

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On the right the comment of the
Department is as follows:

"Lists and reports. Mr. Gardiner
"meyer states, 'Has he not received
"both from the Provincial Police
"and the Metropolitan Toronto Police
"lists of clubs suspected of gaming
"and betting?'

" The Department has related
"supra its co-operation and contacts
"with the police.

" The police generally wait
"until a conviction is registered
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"Secretary and only in rare cases
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"It also refers to Chief Mackey's
"list in Appendix K where every
"complaint has been dealt with,
"leading to cancellation, and the
"remaining being under proceedings
"for cancellation."

Now, Mr. Commissioner, Appendices J and K

are fairly voluminous. It is my request that they be read into the record, perhaps not at this stage but at a later stage of the presentation of the brief, because they have a very direct bearing in this allegation by Mr. Wintermeyer.

". . . There are more than 3,200 "corporations having objects, either "in whole or in part of a social "nature, presently in existence in "Ontario. . . ."

---(Page 47)

---(Page 48)

". . . In only six cases has there "been subsequent cause for cancellation "(See statistical summary infra)."

On the left, Mr. Wintermeyer states as "follows:

". . . Suffice it to say I have "compiled over 30 names of persons "who are part of the pattern I have "described.

". . . In every case the organization "involved has been convicted or "suspected by the police of illegal "gambling and I would point out to "the House that it is well established "that these persons are frequently "just the fronts for the big-time

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"corporations having objects, either
"in whole or in part of a social
"nature, presently in existence in
"Canada. . . ."

---(Page 47)

---(Page 48)

". . . In only six cases has there
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"suspected by the police of illegal
"gambling and I would point out to
"the Commission that it is well established
"that these persons are frequently
"just the fronts for the big-time

"gamblers. Max Blustein, for example,
"was convicted of keeping at the
"Lakeview Club in Toronto but his
"name appears nowhere in the Provincial
"Secretary's file on that club."

The comments of the Department on the right are as follows:

"The Department does not under-
"stand the statement of Mr. Wintermeyer
"that 'I have compiled over 30 names
"of persons who are part of the pattern
"I have described'. Apart from
"the fact that previous to that
"statement he had uttered the names
"of 30 persons, the only connection
"appears to be that a certain nine
"of them have been charged for
"conspiring to keep common betting
"houses. The Department has had
"a table drawn up listing the names
"of the nine individuals charged with
"conspiracy and the clubs referred
"to by Mr. Wintermeyer in respect of
"the individual's name and the same
"appears in Appendix L."

I would ask you to turn, Mr. Commissioner, to Appendix L.

THE COMMISSIONER: Better put some tabs on this.

THE WITNESS: I may say, Mr. Commissioner,

"gamblers. Max Hinstein, for example,
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"Lakeview Club in Toronto but his
"name appears nowhere in the Provincial
"Secretary's file on that club."

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"to by Mr. Winterrmeyer in respect of
"the individual's name and the same
"appears in Appendix L."

I would ask you to turn, Mr. Commissioner,
to Appendix L.

THE COMMISSIONER: Better put some tabs
on this.

THE WITNESS: I may say, Mr. Commissioner,

that these briefs came from the printer at 2.00 o'clock yesterday afternoon, and there was no time to put tabs on. We attempted to do the same with the coloured pages.

"On page "i" we have the index of the corporations with social objects mentioned in Mr. Wintermeyer's speech, and they are listed here. I believe there are some thirty-two.

Following that we give the same details, and I am not going to read them at the present time, but we give the details in respect of the clubs as to the date of incorporation, breaking it down as to before July 1st, 1950, or after July 1st, 1950, the last directors of record, the last solicitor of record, and then Appendix J, that is,the cancellation appendix, and then "Other comments".

I will not read those at the present time, but I would ask you to turn to the last page and you will see a fold-out chart. This has on the left hand side the names mentioned in Mr. Wintermeyer's speech. They are the names of human beings. Across the top are listed corporations with social objects mentioned in Mr. Wintermeyer's speech. They are all listed. Then in the top left hand corner are those nine individuals listed, together with the clubs. You will see the dark lines embracing them,

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Following that we give the same details, and I am not going to read them at the present time, but we give the details in respect of the clubs as to the date of incorporation, breaking it down as to before July 1st, 1950, or after July 1st, 1950, the last directors of record, the last solicitor of record, and then Appendix 1, that is, the cancellation appendix, and then "Other comments".

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Mr. Commissioner.

THE COMMISIONER: Yes.

A. "The Department has had a table "drawn up listing the names of the "nine individuals charged with "conspiracy and the clubs referred "to by Mr. Wintermeyer in respect "of the individual's name and the "same appears in Appendix L."

With that dark section.

"It is to be noted that three of the "individuals do not appear in the "records of the clubs in the "Department at all; four appear "in the record of one club; only "two appear in the record of two "clubs. The same talbe has been "extended to show the balance of "names (35 in all) and all the "clubs named in his speech. It is "to be noted that of the 35 "additional names, 25 do not appear "at all, five appear once and five "appear twice.

" The Department has listed "on cards (Appendix M) ---"

If I may have Appendix M --

". . . the last directors of record "of the clubs shown in Appendix J "showing all the clubs cancelled

Q. Continued.

THE COMMISSIONER: Yes.

A. "The Department has had a table
"drawn up listing the names of the
"nine individuals charged with
"conspiracy and the clubs referred
"to by Mr. Winterneyer in respect
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"in the record of one club; only
"two appear in the record of two
"clubs. The same table has been
"extended to show the balance of
"names (35 in all) and all the
"clubs named in his speech. It is
"to be noted that of the 35
"additional names, 25 do not appear
"at all, five appear once and five
"appear twice.

" The Department has listed
"on cards (Appendix M) ---"

If I may have Appendix M --

". . . the last directors of record
"of the clubs shown in Appendix 1
"showing all the clubs cancelled

"between July 1st, 1950, and December
"11th, 1961, being 75 clubs with
"279 different persons shown as
"directors.
" Of this number 274 appear as
"director only once and five appear
"as director twice."

Visually, Mr. Commissioner, if you look at these cars, the white cars are the names of the directors that appear once, and the blue cards, of which there are five in total, carry the names of directors that appear on two corporations, and these are Appendix M that we prepared in this way, and this is the only Appendix M with the brief and it will be filed and so entered with the Commission.

"The tables have been prepared working
"backwards from the fact that police
"investigations brought about an
"inquiry into specific clubs which
"brought about their cancellation."

We have only done this with the 75 clubs that were cancelled, and I interject at this point, Mr. Commissioner, to bring to your attention that in all the appendices, Appendix F, if you look at that for a moment, that gives the name of applicant and then there are other appendices in which there are listed the names of directors. When you consider it, there are some 1,219

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"11th, 1961, being 75 clubs with
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"directors.
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corporations in which we have listed either the applicants or directors, and on an average of only five names per corporation, there are within the compass of these appendices five times 1200, roughly 6,000 names. Now, whether the Commission wishes to co-relate all that information on clubs, I don't know.

THE COMMISSIONER: No.

A. But we have attempted graphically to bring to your attention the limited remarks of Mr. Wintermeyer.

On page 48 at "94 1" Mr. Wintermeyer states:

"The examination and comparison of
"the Provincial Secretary's public
"records also shows beyond any
"reasonable doubt that there has
"been and is a heavy trafficking
"in the charters of so-called clubs."

(Page 9249 follows)

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"the Provincial Secretary's public
"records also shows beyond any
"reasonable doubt that there has
"been and is a heavy trafficking
"in the charters of so-called clubs."

(Page 9249 follows)

THE WITNESS: The comment of the Department on the right is as follows:

"The Department submits that "Mr. Wintermeyer in his speech has "presented no evidence to substantiate "his allegation that there had been "'a heavy trafficking' in the charters "of 'so-called clubs'. . . .

"As has been related supra, "following this interview, the "Honourable Mackinnon Phillips did "two things immediately: (1) In "order to prevent any trafficking "in such Letters Patent, on "February 5th, 1961, he introduced . . ." - I believe that should be 1960. I will check that date.

THE COMMISSIONER: Q. He was not Minister in 1961.

A. No, that should be 1960, Mr. Commissioner. -

". . .he introduced legislation "providing no social club, whenever "incorporated, could change the "location of its premises from one "address to another without the "prior consent of the Provincial "Secretary. . . .

(Page 9450 follows)

THE WITNESS: The comment of the Department on the right is as follows:

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A. No, that should be 1960, Mr. Commissioner. -

". . .he introduced legislation "providing no social club, whenever "incorporated, could change the "location of its premises from one "address to another without the "prior consent of the Provincial "Secretary. . . .

(Page 9450 follows)

"Mr. Wintermeyer's statement
"on the 29th of November, 1961, that
"'there . . . is a heavy trafficking'
"is, so far as the knowledge of the
"Department is concerned, incorrect."

In the middle of the next paragraph on the left are named: The Lakeview Club, the Garment Centre Recreation C;ub, the Jordan Club, the Bellevue Club, the Colonial Club and the Finnish Club of New Toronto.

On the right are our comments in relation to those clubs:

"LAKEVIEW ATHLETIC CLUB
"(cancelled March 2nd, 1961)
"discussed supra. . . .

" THE FINNISH SOCIAL CLUB OF TIMMINS
"(cancelled February 12th, 1960)
"This club will be discussed
"infra."

On the left hand side, Mr. Wintermeyer referred to the Union Jack Club, the West End Club, the Columbia Club, the Greek Canadian Club, the Showmen's League of America, the Frontier Veterans Association of Fort Erie, the Roseland Club in Windsor, and the Centre Road Veterans Club of Cooksville.

On the right are the Department's comments:

"UNION JACK (TORONTO) SOCIAL CLUB
"Incorporated under The Ontario

"Mr. Wintermeyer's statement

"on the 29th of November, 1961, that

"'there . . . is a heavy trafficking'

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On the right are the Department's

comments:

"UNION JACK (TORONTO) SOCIAL CLUB

"Incorporated under the Ontario

"Companies Act by Letters Patent
"dated June 1st, 1958."

---(Page 51)

"FRONTIER VETERANS ASSOCIATION OF
FORT ERIE" -

This is a repetition of earlier remarks -

"(No complaint received up to date
"of speech from the police or
"anyone else. Report made by
"O.P.P. on Febraary 20th,1962)
"to be discussed infra

"ROSELAND CLUB OF WINDSOR
"(cancelled on February 14th,1958)
"to be discussed infra

"CENTRE ROAD VETERANS CLUB OF COOKSVILLE
"(cancelled on June 3rd, o960)
"to be discussed infra"

The last paragraph on the left, Mr. Wintermeyer stated:

" In view of this traffic in
"social club charters, and in view
"of the organizational pattern I
"have described with respect to
"these clubs, I now propose, Mr.
"Speaker, to examine in some detail
"how this charter system works
"amd how it has been used by criminals

"Companies Act by letters patent
"dated June 1st, 1958."

--(Page 51)

"SOLICITOR GENERAL REGULATION OF
ACTIVITIES"--

This is a repetition of earlier remarks -
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"of speech from the police or
"anyone else. Report made by
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"these clubs, I now propose, Mr.
"Speaker, to examine in some detail
"how this charter system works
"and how it has been used by criminals

"to exploit the laws of Ontario
"and circumvent the laws in Canada."
The comment of the Department on the right is as follows:
"The Department has above
"dealt with the question of so-called
"'traffic' in letters patent.
"The Department submits that
"Mr. Wintermeyer throughout his
"whole speech has offered no evidence
"to justify his allegation that
"letters patent issued by the
"Department have been used by
"criminals 'to exploit the laws of
"Ontario and circumvent the laws in
"Canada'."

Q. Well, just pasuing there. There has been evidence before me that certain persons have used the letters patent for the purpose of, I do not know whether exploit is the proper word or not, but they have hidden behimd the company's charter and in such places of hiding have carried on unlawful activities. Have you dealt anywhere in your brief with that?

A. We may be dealing with that, perhaps, Mr. Commissioner -- I have not had the opportunity of reading that part of the evidence placed before you. If Mr. Wilson could bring it to my attention we will be

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prepared to make comments in that regard.

Q. There is volumes of evidence that the Centre Road Vets Club, the Roseland Club, the Frontier Club, among others, all have been the havens in which certain persons have carried on gaming activities and used the provisions of the Criminal Code, which gives certain protection to social clubs, as a defence against prosecutions for unlawful gaming houses. Without the charters, that defence would not have been available to them.

A. Well, when we come to examine --

Q. I am not suggesting, do not misunderstand me, that bare fact reflects adversely on the Department of the Provincial Secretary; I am merely stating that that is the fact.

A. I would be interested, for my own edification perhaps, if somebody could enlarge on that statement more specifically 'to exploit the laws of Ontario and circumvent the laws in Canada'.

We have an Appendix J and an Appendix K, the cancellations and complaints, and we deal with clubs in respect of which offences have occurred. They will be gone into in detail.

It has been difficult for me to understand the phrase "exploit the laws of Ontario".

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It has been difficult for me to understand the phrase "exploit the laws of Ontario".

What laws of Ontario were exploited at the present time specifically? I do not know whether Mr. Wilson, or perhaps an authority on criminal law can be brought in; but it was "tooexploit the laws of Ontario".

Q. I suggest that perhaps that is not the right word.

A. It was the word used by Mr. Wintermeyer, and perhaps he would enlarge on it so that we may reply to it.

(Page 9455 follows)

What laws of Ontario were exploited at the present time specifically? I do not know whether Mr. Wilson, or perhaps an authority on criminal law can be brought in; but it was "toexploit the laws of Ontario".

Q. I suggest that perhaps that is not the right word.

A. It was the word used by Mr. Winterneyer, and perhaps he would enlarge on it so that we may reply to it.

(page 945 follows)

Q. We will see.

A. On page 52, "94 r":

"Mr. Speaker, I want to deal now
"with the gaming clubs in Ontario
"masquerading under the guise of
"social clubs incorporated under
"the laws of Ontario. In dealing
"with chartered social clubs that
"have become gaming clubs I will
"discuss the following topics:
"(1) What is the difference between
"gambling and gaming? (2) What
"is the law relating to chartered
"social clubs? (3) What is the
"advantage for professional gamblers
"to operate behind the guise of a
"chartered social club? (4) What
"is the policy of the Conservative
"government towards chartered
"social clubs suspected of being
"gaming houses? (5) How have the
"Attorney-General's Department
"and the Provincial Secretary's
"Department enforced the laws and
"carried out government policy
"with respect to chartered social
"clubs and illegal gambling?"

The comment on the right is:

" This brief is an answer to
"Questions 4 and 5 and particular

Q. We will see.

A. On page 17, "Mr. Speaker, I want to deal now "with the gaming clubs in Ontario "masquerading under the guise of "social clubs incorporated under "the laws of Ontario. In dealing "with chartered social clubs that "have become gaming clubs I will "discuss the following topics: "(1) What is the difference between "gambling and gaming? (2) What "is the law relating to chartered "social clubs? (3) What is the "advantage for professional gamblers "to operate behind the guise of a "chartered social club? (4) What "is the policy of the Conservative "government towards chartered "social clubs suspected of being "gaming houses? (5) How have the "Attorney-General's Department "and the Provincial Secretary's "Department enforced the laws and "carried out government policy "with respect to chartered social "clubs and illegal gambling"

The comment on the right is:

" This brief is an answer to "Questions 4 and 5 and particular

"reference is made to Chapter 12 -
"summary of policies and statistical
"review."

Which we will be coming to later on.

On page 53, the second paragraph, Mr. Wintermeyer states as follows:

". . . . The Criminal Code provides,
"however, that in the case of an
"incorporated bona fide social club
"or a branch thereof such club or
"branch shall not be deemed to be a
"gaming house if no fee in excess
"of ten cents an hour or fifty cents
"a day is charged to the players.
"The law provides that the onus of
"proving an incorporated social
"club is bona fide is on the club.
"It is this exception which makes
"a social club charter so valuable
"to professional gamblers."

The comment of the Department on the right is as follows:

" . . . It is assumed that Mr.
"Wintermeyer is referring to sub-
"sections 2 and 3 of section 168
"of the Criminal Code, wset out in
"detail supra. . . .

" . . . Mr. Wintermeyer's implication
"that this exception is available in

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is as follows:
" It is assumed that Mr.
"Wintermeyer is referring to sub-
"sections 2 and 3 of section 168
"of the Criminal Code, set out in
"detail supra. . . .

" Mr. Wintermeyer's implication
"that this exception is available in

"the instance of post-1950 charters is "incorrect."

On the left he --

Q. I am not quite following that. You say that since July 1, 1950, all letters patent issued have been issued subject to that condition. Mr. Wintermeyer's implication that this is available in post-1950 charters is incorrect? Isn't it correct? Since 1950 that is a condition imposed.

A. And if anybody uses a charter --

Q. If anybody violates the condition the charter is subject to cancellation?

A. The charter is subject to cancellation.

Q. Is your last paragraph correct, when you say that:

"Mr. Wintermeyer's implication "that his exception is available in "the instance of post-1950 charters "is incorrect."

I do not quite understand that, Mr. Yaremko.

A. I think I may clarify it perhaps, Mr. Commissioner. If letter patent -- The letters patent do permit of , perhaps, the dog's one bite; if the corporation is incorporated with this condition they can rely upon it in the Court once. But, then, the letters patent is subject to cancellation.

"the instance of post-1950 charters is
incorrect."

On the left he --

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You say that since July 1, 1950, all letters
patent issued have been issued subject to
that condition. Mr. Underwood's qualification
that this is available in post-1950 charters
is incorrect? Isn't it correct? Since
1950 that is a condition imposed.

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The letters patent do permit of , perhaps,
the dog's one bite; if the corporation is
incorporated with this condition they can
rely upon it in the Court once. But, then,
the letters patent is subject to cancellation.

It is not something that provides them with an exception continuously, as perhaps in the pre-1950 corporations.

He made no differentiation between the 1950 and the post-1950.

Q. To what is he referring -- or, what are you referring to when you say, "Mr. Wintermeyer's implication that this exception . . ."? What exception?

A. That they can charge ten cents -- That the letters patent issued after 1950 will permit them to charge ten cents an hour or fifty cents a day.

Q. May we leave it at the moment by my simply saying, I do not quite grasp your submission? Maybe tomorrow you will be able further to enlighten me on it.

A. Yes.

Mr. Wintermeyer on the left states:

"It permits gamblers to occupy a "premises that can be frequented "openly and daily by a large number "of people."

The comment of the Department on the right is:

" . The use of the word 'permits" "leaves an inference; there is "nothing in the Letters Patent per se "that specifically 'permits' the "things referred to by Mr. Wintermeyer.

It is not something that provides them with an exception continuously, as perhaps in the pre-1950 corporations.

He made no differentiation between the 1950 and the post-1950.

Q. To what is he referring -- or, what are you referring to when you say, "Mr. Winterscheyer's implication that this exception . . ."? What exception?

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A. Yes.

Q. Winterscheyer's [illegible]:

"It permits gamblers to occupy a "premises that can be frequented "openly and daily by a large number "of people."

The comment of the Department on the right is:

" The use of the word 'permits' "leaves an inference; there is "nothing in the Letters Patent per se "that specifically 'permits' the "things referred to by Mr. Winterscheyer.

"Premises can be frequented openly and
"daily by a large number of people,
"under a great many circumstances.
"Such could also be the case when
"the persons are formed into an
"unincorporated association.
" Mr. Wintemmeyer's implication
"that a charter is necessary for this
"is incorrect."

Q. That is not as I understand twhat he said. He says that the Criminal Code provides certain protectionl he is not saying the charter itself provided that protection. If you put that in proper continuity:

" The Criminal Code provides,
"however, that in the case of an
"incorporated bona fide social club
"or a branch thereof such club or
"branch shall not be deemed to be
"a gaming house if no fee . . ." -
etcetera, etcetera, is charged.
"The law provides that the onus of
"proving an incorporatdd social
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ANd so on.
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that is, the Code itself.

A. We related the word "it" to the

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"proving an incorporated social
"club is bona fide is on the club."
And so on.
"It permits gamblers to occupy a
"premises . . ." -
that is, the Code itself.

A. We related the word "it" to the

word "charter".

Q. That is not as I read it.

A. It may very well be. Only Mr. Wintermeyer would probably know when he used the word "it" whether he was referring to the "Code" or the "charter".

Q. On the plain meaning of the language he used I think he is referring to the Criminal Code and not the charter.

A. He is talking about the value of a social club charter.

Q. That is right.

A. What makes it valuable.

Q. That is right.

A. So, we imply to the person listening to Mr. Wintermeyer making the remark, once you have a social club charter it permits certain things; it permits gamblers to occupy, it permits gamblers in the guise of a club to do this, and it permits all sorts of things.

Q. You may be right.

A. If we deal with all of what it permits we may achieve some conclusion. He states on the left hand side:

"It permits gamblers in the guise of "a club to have gambling equipment "such as playing cards, dice, poker "chips and other paraphernalia on "the premises."

Our comment on the right is:

word "charter".

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"With respect to the reference
"to gambling equipment the Department
"would refer first to section 169(b)
"of the Crimianl Code and also to the
"previous statement of policy supra
"where it was indicated that in all
"such charters since July 1st, 1950,
"there is included a provision to
"the effect that if the premises of
"a club are found fitted or provided
"with any means of contrivance for
"playing any game of chance or any
"mixed game of chance or skill,
"gaming or betting or with any device
"for concealing, removing or destroying
"such means or contrivances the
"Letters Patent may be cancelled,
"which provision is now a regulation.
"Mr. Wintermeyer's implication
"in this regard in respect of post-1950
"incorporation is incorrect."

The reasoning of the Department is the same as above.

We turn to page 54 and we have at the top "95 1", and we have perhaps a clue as to what he was intending. He says:

"It permits installation of a teletype
"system that provides sporting
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"take place."

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" Mr. Wintermeyer states that a "charter permits the installation of a "teletype system; it is suggested that "he implies by this that it is necessary "to have a charter in order to have "a teletype system installed. The "Department suggests that this "implication is incorrect in that "Letters Patent do not give any "special right to such equipment."

I do not believe, Mr. Commissioner, that the Criminal Code, if we try to relate these permissions back to the Criminal Code, at the moment I do not think the Criminal Code permits installation of a teletype system. Our only conclusion was that these items he was talking about, that it permits, that the charter permits. If you could have a charter in your hand on behalf of a group you would get all these permits which in other circumrstances you would not have.

Q. Just a moment, please.

The benefits accruing from the provision in the Criminal Code arelimited to incorporated bona fide social clubs or branches thereof. I am rather inclined to agree with you, that Mr. Wintermeyer is saying that where you have an incorporated social club and it is bona fide protection is given

Our statement on the right is:

" Mr. Wintermeyer states that a "charter permits the installation of a "teletype system; it is suggested that "he implies by this that it is necessary "to have a charter in order to have "a teletype system installed. The "implication is incorrect in that "Letters Patent do not give any "special right to such equipment."

I do not believe, Mr. Commissioner, that the Criminal Code, if we try to relate these permissions back to the Criminal Code, at the moment I do not think the Criminal Code permits installation of a teletype system. Our only conclusion was that these items he was talking about, that it permits, that the charter permits. If you could have a charter in your hand on behalf of a group you would get all these permits which in other circumstances you would not have.

Q. Just a moment, please.

The benefits accruing from the provision in the Criminal Code assimilated to incorporated bona fide social clubs or branches thereof. I am rather inclined to agree with you, that Mr. Wintermeyer is saying that where you have an incorporated social club and it is bona fide protection is given

that would not otherwise be available. In other words, to get the protection you must have the incorporation.

A. When we were discussing in the brief the provisions of the Criminal Code, the Criminal Code says that a bona fide incorporated social club can charge ten cents an hour or fifty cents a day without being a common gaming house; that is an exemption of the Criminal Code. The Criminal Code does not refer to these other items Mr. Wintermeyer says it permits. You can have an unincorporated association, and there are many in this city, that people gather together and meet and it may be possible to have a teletype system - I am not familiar with them - but if you meet the requirements of the Board of Transport I understand you can have a teletype system whether you are incorporated or not incorporated, or whether youare a social club or not a social club. I am not familiar with these matters; but, the charter we issue gives no special rights in respect of this and in respect of the ten cents per hour. We have a provision that if you charge the ten cents, in the post-1950, we will cancel your charter. Mr. Wintermeyer did not differentiate betwean the provisions in the pre-1950 and the post 1950 and it would appear to the public that as long as

that would not otherwise be available. In other words, to get the protection you must have the incorporation.

A. When we were discussing in the brief the provisions of the Criminal Code, the Criminal Code [illegible] incorporated social club can charge ten cents an hour or fifty cents a day without being a common gaming house; that is an exemption of the Criminal Code. The Criminal Code does not refer to these other **items** Mr. Winterbottom says it permits. You can have an unincorporated association, and there are many in this city, that people gather together and meet and it may be possible to have a teletype system - I am not familiar with them - but if you meet the requirements of the Board of Transport I understand you can have a teletype system whether you are incorporated or not [illegible] club or not a social club. I am not familiar with these matters; but, the charter we issue gives no special rights in respect of this and in respect of the ten cents per hour. We have a provision that if you change the ten cents, in the post-1950, we will cancel your charter. Mr. Winterbottom did not differentiate between the provisions in the ~~post~~ pre-1950 and the post 1950 and it would appear to the public that as long as

you had a charter of any kind issued at any time you had the benefits of the exception within the Criminal Code. It may be it could have, as I said once, and it has happened, that incorporated social clubs have charged ten cents, and we will be referring to it, and cancellation followed. We will be dealing with one specific instance in detail.

Q. All right.

A. The second paragraph on page 54, Mr. Wintermeyer stated as follows:

" Mr. Speaker, professional
"gamblers regard a social club charter
"as a certain road to fortune. It
"provides the front for their
"illegal operations. . . .

" Mr. Speaker, the existence of
"a social club charter provides
"protection for the keepers of gaming
"houses and for those who are
"found-in on police raids, because
"it is very difficult for police
"to obtain conclusive proof of the
"operation of gaming when all the
"paraphernalia can be removed or
"concealed in less than one minute
"or explained away as legitimate
"recreational equipment."

And the comment of the Department on the

you had a charter of any kind issued at any time you had the benefits of the exception within the Criminal Code. It may be it could have, as I said once, and it has happened, that incorporated social clubs have charged ten cents, and we will be referring to it, and cancellation followed. We will be dealing with one specific instance in detail.

Q. All right.

A. The second paragraph on page 54, Mr. Wintermeyer stated as follows:

"Gamblers regard a social club charter "as a certain road to fortune. It "provides the front for their "illegal operations. . . .

" Mr. Speaker, the existence of "a social club charter provides "protection for the keepers of gaming "houses and for those who are "found-in on police raids, because "it is very difficult for police "to obtain conclusive proof of the "operation of gaming when all the "paraphernalia can be removed or "concealed in less than one minute "or explained away as legitimate "recreational equipment."

And the comment of the Department on the

right is as follows:

" The statement implies that

"Letters Patent permit the club to

"delay lawful entry to its premises,

"to police officers. . . . .

"The Department has pointed out

"supra its provision in this regard,

"so here again Mr. Wintermeyer's

"implication is incorrect."

THE COMMISSIONER: Well, it is 5.00 o'clock. 10.00 o'clock.

---Whereupon the hearing adjourned at 5.00 o'clock p.m., on Tuesday, 11th September, 1962, until 10.00 o'clock a.m. on Wednesday, 12th September, 1962.

right is as follows:

"Letters Patent permit the claim to
"delay lawful entry to its premises,
"to police officers. . . . .

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"supra its provision in this regard,
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The Commissioner.

VOLUME NO. 46

ROYAL COMMISSION

ON CRIME

IN ONTARIO

DAILY TRANSCRIPT
OF PROCEEDINGS

Date..Wednesday.Sept.12/62

pp 9466 - 9599

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145 Yonge St.
Toronto

A/1/FAL

WEDNESDAY, SEPTEMBER 12, 1962

---On resuming at 10:15 o'clock a.m.

JOHN YAREMKO, resumes the stand

THE WITNESS: Mr. Commissioner, I would ask your indulgence to give me a couple of minutes at the outset this morning for me to do something which perhaps I should have done at the outset of the presentation of this material yesterday for the record.

As you know, I provided you with copies of a draft brief some time ago to assist you in preparation of yourself for the hearing today. The material which was presented to you, and which we are considering, was delivered to the Buildings, to my office, at two o'clock yesterday (sic) afternoon from the printers.

Now, it had been my intention --

THE COMMISSIONER: Q. Not yesterday afternoon?

A. The day before.

I spent all Monday night, from eleven o'clock at night time until one o'clock in the morning, and I got up at six, to check any typographical errors, and fortunately very few have shown up.

At the outset of yesterday morning I had intended to review for the record - not for

---On resuming, at 10:15 o'clock a.m.

[illegible] counsel [illegible]

THE WITNESS: Mr. Commissioner, I would ask your indulgence to give me a couple of minutes [illegible] do something; which perhaps I should have done at the outset of the presentation of this material yesterday for the record.

As you know, I provided you with copies of a draft brief some time ago to assist you in preparation of yourself for the hearing today. The material which was presented to you, and which we are considering, was delivered to the Building, to my office, at two o'clock yesterday (sic) afternoon from the printers.

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A. The day before.

I spent all Monday night, from eleven o'clock at night time until one o'clock in the morning, and I got up at six, to check my typographical errors, and I often study very few have slept up.

At the outset of yesterday morning I had intended to review for the record - not for

you, because you were already familiar with it - the documents being presented, the four documents, because there has been some comment in the press in that regard. Perhaps if I had made my statement yesterday it would have been better understood.

The brief proper of the Department consists of some 98 pages, which we have whittled down to make as concise a statement as possible for your consideration without unduly encumbering it. To assist in understanding the brief and deal with specific information we filed three appendices. There is this book which contains appendices from B to O and the appendices of F and I. They all contain material which we felt was relevant to the hearing, to save the Commissioner time. I would like to read the front page.

" APPENDIX B

"Functions of the divisions of the
"Department of the Provincial Secretary
"and Citizenship (other than the
"Companies Division)"

That was prepared to provide background material if anyone needed it.

C was "Affidavit of Provincial Secretary in Stainer case". That was to give some indication - it was the only instance we have had in recent years of a court being asked for a mandamus - to illustrate the width of the

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it - the documents being prepared, the four
documents, because there has been some comment
in the press in that regard. Perhaps if I
had read my statement yesterday it would have
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The brief proper of the Government
consists of some 45 pages, which we have
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is this book which contains appendices from
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to the hearing, to save the Commissioner time.
I would like to read the front page.

" APPENDIX P

"Functions of the Divisions of the
"Department of the Provincial Secretary
"and Citizenship (other than the
"Companies Division)"

That was prepared to provide background
material if anyone needed it.

[illegible] "Attorney-General [illegible]
in another case". That was to give some
indication - it was the only instance we have
had in recent years of a court being asked for
a mandamus - to illustrate the width of the

discretion.

We supplied you with annual return forms to indicate certain changes visually.

We have provided, in Appendices F, G, H and I consideration of the files of the Department which go back eleven and one half years.

Appendix F, which is this large appendix which stunned - at least that is the interpretation some newspapers put on it - counsel consists of 1981 pages giving the details -- the various details of a club. One club per page.

Appendix I were those which were refused; some 186.

Then, Appendices H and I were -- Appendices G and H concerned some 18 and, I believe, 30 files - I am using rough figures. All this material was produced at the request of counsel On behalf of the Commission because were we to have wheeled into this room 1219 files, and each file consisting of anywhere from 50 to 200 pages - multiply 1200 files by 200 pages - we would have had a tremendous amount of material. The Department believes this material contains, at the time of preparation, every file we have dealt with in the last eleven and a half years.

Had we not prepared this material Commission counsel and yourself, quite properly,

[illegible].

We supplied you with annual return forms to indicate certain changes visually.

We have provided, in Appendices F, G, H and I consideration of the files of the Department which go back eleven and one half years.

Appendix F, which is this large appendix which summed - at least that is the introduction [illegible] on it - counsel consists of 1881 pages giving the details -- the various details of a club. One club [illegible].

Appendix I were those which were refused; [illegible].

Then, Appendices H and I were -- Appendices G and H concerned some 18 and, I believe, 30 files - I am using round figures. All this material was produced at the request of counsel on behalf of the Commission because were we to have wheeled into this room 1800 files, and each file consisting of anywhere from 50 to 200 pages - multiply 1800 files by 100 pages - we would have had a tremendous amount of material. The Department believes this material contains, at the time of preparation, every file we have dealt with in the last eleven and a half years.

Had we not presented this material [illegible]

may have been required to go into the Department's offices and to have done yourselves what we have prepared here in these documents. As I stated in the analysis of Mr. Wintermeyer's speech, the files are available and as each item is dealt with if the Commissioner wishes to see the file we will have it either here physically -- we will have certain files we anticipate you will be interested in and others will be in the Buildings.

I believe every piece of material prepared here, these indices, were prepared at the request of Commission counsel because it was understood by him we were going to bring into this hearing detail of every file we have had which we thought was relevant in the last eleven and a half years, and this is this material.

Now, at the close of yesterday's hearing we were dealing with page 53, Mr. Commissioner, and perhaps our explanation may have clarified the matter prior to adjourning but on page 9458 of the transcript you indicated as follows:

"Maybe tomorrow you will be able
"to further enlighten me on it."

I turn now to page 53, the last paragraph. Mr. Wintermeyer stated as follows:

" The Criminal Code provides,
"however, that in the case of an
"incorporated bona fide social club

may have been required to go into the department's offices and to have done yourselves what we have promised here in these documents. As I stated in the analysis of Mr. Whitemyer's [illegible], the files are available and it was then is dealt with if the Commissioner wishes to see the file we will have it either here physically -- we will have certain files we anticipate you will be interested in and others will be in the Buildings.

I believe every piece of material [illegible] here, [illegible], was produced at the request of Commission counsel because it was understood by him we were going to bring into this hearing detail of every file we have had which we thought was relevant in the last eleven and a half years, and this is this material.

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"Maybe tomorrow you will be able

"to further enlighten me on it."

I turn now to page 53, the last paragraph. Mr. Whitemyer stated as follows:

" The Criminal Code provides,

"however, that in the case of an

"or a branch thereof such club
"or branch shall not be deemed
"to be a gaming house if no fee
"in excess of ten cents an hour
"or 50 cents a day is charged to
"the players. The law provides
"that the onus of proving an
"incorporated social club is bona
"fide is on the club." -

Now, here are the key words -

"It is this exception which makes
"a social club charter so valuable
"to professional gamblers."

Then, our comment on the right hand side, at the end of the third paragraph:

"Mr. Wintermeyer's implication that
"this exception is available in
"the instance of post-1950 charters
"is incorrect."

Perhaps I could recapitulate for you, Mr. Commissioner.

An incorporated social club in Ontario, as was stated earlier in the brief, is subject to the laws of Ontario exactly as everyone else is, without exception. It is subject to the criminal laws of Canada - not the criminal laws of Ontario, because as you know better than anyone in this room we have no jurisdiction. It is subject to the criminal laws of Canada,

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"or branch shall not be deemed
"to be a gaming house if no fee
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"or 50 cents a day is charged to
"the player. The law provides
"that the onus of proving an
"incorporated social club is bona
"fide is on the club." -

Now, here are the key words -

"It is this exception which makes
"a social club whether so valuable
"is questionable."

Then, our comment on the right hand side, at the end of the third paragraph:

"This exception is available in
"the Lottery of 1947-1948 only
"is incorrect."

Perhaps I could reasonably for you,

Mr. Chairman,

An incorporated social club in Ontario, as was stated earlier in the brief, is subject to the laws of Ontario exactly as everyone else is, without exception. It is subject to the criminal laws of Canada - not the criminal laws of Ontario, because as you know better than anyone in this room we have no jurisdiction. It is subject to the criminal laws of Canada,

the same as everyone else; except the Criminal Code, in the wisdom of the Parliament of Canada, provides an exception which says that a bona fide incorporated social club can charge ten cents an hour or 50 cents a day and not be guilty of keeping a common gaming house. The Criminal Code of Canada says if you are an incorporated bona fide social club you can charge this and it is legal, and I assume that it is proper.

But, in Ontario, since 1950, we, not having the right to delete that from the Criminal Code, have coped with it in a different way. If an incorporated bona fide social club, as such, is charged it can go to a magistrate and say, "It is true, we were charging but we were charging ten cents a day (sic) and 50 cents an hour (sic)", and the magistrate decides -- he finds as a fact that the club was chaging ten cents an hour, fifty cents a day and he dismisses the charge. He dismisses the charge and acquits them. The matter is brought to our attention and if it is one of the 1,033 clubs which have been incorporated since the 1st of July, 1950 - all these names you have before you - if that is brought to our attention we then take steps to cancel the charter; and that has been done.

You will notice in Appendix J Club Macedonia, the most recent one. In those

the same as everyone else; except the Criminal Code, in the wisdom of the Parliament of Canada, provides an exception which says that a bona fide incorporated social club can charge ten cents an hour or 50 cents a day and not be guilty of keeping a common gaming house. The Criminal Code of Canada says if you are an incorporated bona fide social club you can charge this and it is legal, and I assume that it is proper.

But, in Ontario, since 1950, we, not having the right to believe that from the Criminal Code, have coped with it in a different way. If an incorporated bona fide social club, as such, is charged it can go to a magistrate and say, "It is true, we were charging but we were charging ten cents a day (rate) and 50 cents an hour (rate)", and the magistrate decides -- he finds as a fact that the club was charging ten cents an hour, fifty cents a day and no dismisses the charge. He dismisses the charge and acquits them. The matter is brought to our attention and if it is one of the 1,083 clubs which have been incorporated since the 1st of July, 1950 - all those names you have before you - if that is brought to our attention we then take steps to correct the charter; and that has been done.

You will notice in Appendix 1 of Mandamus, the most recent one. In view of

proceedings I requested a copy of the transcript of evidence given before the magistrate. I accepted the magistrate's finding, that he found that they were charging ten cents an hour, I believe in that instance, but not more than fifty cents a day, and he acquitted the accused. The matter was brought to our attention. We instituted proceedings. I may say, the people who were operating -- at least, the club members, the executive, felt they were very hard done by. They were innocent it seemed so they thought they had the right to charge the ten cents. We pointed out, "In your letters patent if you do what you thought in the Criminal Code was legal we can still cancel"; and I, as Provincial Secretary, in that instance did cancel.

Q. I have undesstood that was the purpose of adding that as a condition in the charter.

A. So, when Mr. Wintermeyer says:

" It is this exception which makes
"a social club charter so valuable
"to professional gamblers."

We make the comment:

" Mr. Wintermeyer's implication
"that this exception is available
"in the instance of post-1950
"charters is incorrect."

Q. All right.

proceedings I requested a copy of the transcript of evidence given before the magistrate. I examined the magistrate's finding, and he found that they were charging ten cents an hour, I believe in that instance, but not more than fifty cents a day, and he acquitted the accused. The matter was brought to our attention. We instituted proceedings. I may say, the people were represented — at least, the club members, the executive, felt they were very hard done by. They were innocent in essence as they thought they had the right to charge the ten cents. We pointed out, "If your letters patent if you do what you thought in the Criminal Code was legal we can still cancel"; and I, as Provincial Secretary, in that instance did cancel.

Q. I have understood that was the purpose of adding that as a condition in the charter.

A. Mr. Chairman, my:

" It is this exception which makes "a social club charter so valuable "to professional gamblers."

We make the comment:

" Mr. Mitchenoyer's implication "that this exception is available "in the instance of poor-legal "charters is incorrect."

Q. All right.

A. Then, there was a question of whether the words "it permits" -- I do not know whether -- We have taken the speech piecemeal to subject it to the scrutiny, as people would when they are examining something, to be able to understand the trees and not get lost in the forest. If you were to read the speech of Mr.Wintermeyer, page 95 of Hansard - because this is one of the crux of the matters -- I would like your permission to read it from Hansard continuously.

He says, and I am starting at the top of the left hand column --

Q. Yes, I see it.

A. "The Criminal Code provides, "however, that in the case of an "incorporated bona fide social club . . ."

Perhaps I may stop for a moment.

Under the Criminal Code it is not just sufficient to be incorporated, you have to be a bona fide club and you have to prove in court when you are charged not only that you are incorporated - the production ofa charter is not the answer under the Criminal Code - you have to go one step further, you have to prove you are a bona fide social club.

The Provincial Secretary's Department is not in a position to go -- is never called to go in a magistrate's court. The onus is on the accused to prove that they are bona

A. Then, there was a question of whether the words "it permits" -- I do not know whether -- We have taken the phrase pleaded to subject it to the authority, as people would when they are examining something, to be able to understand the phrase and not get lost in the forest. If you were to read the speech of Mr. Mathewson, page 95 of Hansard - because this is one of the crux of the matters -- I would like your permission to read it from general authority.

He says, and I am starting at the top of his first column --

Q. Yes, I see it.

A. "The Criminal Code provides, "however, that in the case of an "incorporated home, tide social club . . ."

Perhaps I may stop for a moment.

Under the Criminal Code it is not just sufficient to be incorporated, you have to be a bona fide club and you have to prove in court when you are charged not only that you are incorporated - the production of a charter is not the answer under the Criminal Code - you have to go one step further, you have to prove you are a bona fide social club.

The Provincial Secretary's Department is not in a position to go -- is never called to go in a magistrate's court. The onus is on the accused to prove that they are bona

fide. So, you have, to get the benefit of the Criminal Code, you have to have the two things; and that appears to have been lost sight of by a great many people.

". . . and incorporated bona fide "social club or a branch thereof "such club or branch shall not be "deemed to be a gaming house if no "fee in excess of ten cents an hour "or 50 cents a day is charged to "the players. The law provides that "the onus of proving an incorporated "social club is bona fide is on the "club."

Now, we begin:

"It is this exception which makes a "social club chartef so valuable to "professional gamblers. It permits "gamblers to occupy a premises that "can be frequented openly and daily "by a large number of people. It "permits gamblers in the guise of a "club to have gambling equipment such "as playing cards, dice, poker chips, "and other paraphernalia on the "premises. It permits installation "of a teletype system that provides "sporting information on which gambling "can take place.

" Mr. Speaker,professional gamblers

ride. So, you have, to get the benefit of
the doubtful rule, you have to have in mind
things and that appears to have been lost
sight of by a great many people.

". . . and incorporated bona fide
"social club or a branch thereof
"[illegible]
"deemed to be a gaming house if no
"fee in excess of ten cents an hour
"or 50 cents a day is charged to
"the players. The law provides that
"the onus of proving an incorporated
"social club is bona fide is on the
"[illegible].

[illegible], we begin:

"It is this exception which makes a
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"by a large number of people. It
"permits gamblers in the guise of a
"club to have gambling equipment such
"as playing cards, dice, poker chips,
"and other paraphernalia on the
"premises. It permits installation
"of a telephone system that provides
"[illegible]
"can take place.

[illegible]

"regard a social club charter as
"a certain road to fortune. It
"provides the front for their
"illegal operations. A gaming house
"with a club charter can delay entry
"by posting look-outs, by having doors
"with knobs or handles, by having a
"steward beside the door who only
"opens to persons he knows. Gaming
"houses with charters excuse these
"wilful obstructions on the ground that
"as a club they have a restricted
"membership and have to take pre-
"cautions against intruders. As it
"takes as little as one minute to
"clear evidence of gaming even a
"slight delay frustrates police in
"their efforts to secure evidence.
" Mr. Speaker, the existence of
"a social club charter provides
"protection for the keepers of gaming
"houses and for those who are found-
"in on police raids, because it is
"very difficult for police to obtain
"conclusive proof of the operation of
"gaming when all the paraphernalia
"can be removed or concealed in
"less than one minute or explained
"away as legitimate recreational
"equipment."

You will note, over and over again he uses the expression "The existence of a social club charter", not "the existence of a social club"; it is the "charter" which does all these things.

I reviewed for you these 1,033 clubs -- these 981, the list of names which you will read. You will see the type of individual involved and the type of club.

A/3

If they charge ten cents an hour, which is legal and proper, we have cancelled. I cannot anticipate but I always decide each case on its merits; we have cancelled for that.

Locks and bars. We have had three complaints made. When we are in our homes -- In my home I have a lock. When I walk in it snaps shut, it locks itself. We have been broken into. The door is locked always, whether we are in or out, unless my wife is in the garden. Social clubs - barricades. The social club, if it is brought to our attention that they lock the door, not just a barricade, but if they lock the door, which is a fair and reasonable precaution for people with premises to take, we write them a letter and say, "You keep that door unlocked". We have done that. We interpreted that lock as a barricade.

We will come to the consideration of the Centre Road Club, for which I signedthe

You will note, over and over again he uses the expression "the existence of a social club charter", not "the existence of a social club"; it is the "charter" which does all these things.

I reviewed for you these 1,022 claims -- these 982, the list of names which you will read. You will see the type of individual involved and the type of club.

If they change ten cents an hour, which is legal and proper, we have cancelled. I [illegible] case on its merits; we have cancelled for that, [illegible] consultations made. When we are in our house -- in my home I have a lock. When I walk in it means alone; it locks itself. We have been broken into. The door is locked always, whether we are in or out, unless my wife is in the garden. Social clubs - burglaries. The social club, if it is brought to our attention that they lock the door, not just a burglarize, but if they lock the door, which is a fair and reasonable precaution for people with premises to take, we write them a letter and say, "You keep that door unlocked". [illegible] as a burglarize.

We will come to the consideration of the Centro Road Club, for which I subpoenaed

cancellation order. The piece of evidence - it is not in the brief but it has probably been found and brought to your attention, one of the clauses under which I found there had been a breach of the letters patent, it was a bolt a couple of inches long, a detachable bilt, and I found as a cause that that was a barricade and that was one of the grounds upon which I found sufficient cause to cancel that charter.

Now, Mr. Wintermeyer in making --

Q. We have had photographs showing huge timbers barricading the doors.

A. I have read the testimony inthe press.

We mention there have, in this period, been three complaints about barricades. In those three instances the presence of the barricades was evidence. In fact, in the Centre Road Club, if you recall -- I do not know whether it has been presented, but it can be presented -- it was the Provincial Secretary's Department who wrote it to the Chief and said, "This is the type of thing we require evidence of in order to -- ". That type of evidence was subsequently produced.

So, all these things which the man on the street, I suggest, Mr. Commissioner, has been led to believe that there is something magic about a social club charter, that it

cancellation order. The piece of evidence - it is not in the matter but it has previously been found and brought to your attention, one of the clauses under which I found there had been a breach of the letters patent, it was a bolt a couple of inches long, a detachable bolt, and I found as a cause that that was a [illegible] upon which I found sufficient cause to cancel that character.

Now, Mr. Commissioner in getting --

Q. -- We have had photographs showing [illegible].

A. I have read the testimony in the press.

We mention three here, in this period, from three complaints about barricades. In those three instances the presence of the barricades was evidence. In fact, in the Centre Road Club, if you recall -- I do not know whether it has been presented, but it can be presented -- it was the Provincial Secretary's Department who wrote it to the Chief and said, "This is the type of thing we require evidence of in order to -- ". That type of evidence was subsequently produced.

So, all these things which the man on the street, I suppose, Mr. Commissioner, has been led to believe that there is suspicion made about a social club character, that is

permits these things which otherwise would not be permitted.

"It permits gamblers to occupy a "premises that can be frequented "openly and daily by a large "number of people."

There are many places in this city, any night of the week, which are frequented openly and daily by a large number of people. You do not need a social club charter. There are many social clubs - I am considering one which has been in operation for a considerable number of years unincorporated and their members have been meeting regularly and having functions in large numbers without the benefits of a charter.

The advantages of a charter are those which we -- The real advantages for the citizen are those that we reviewed yesterday, the limited liability, the continuance.

"It permits gamblers in the guise "of a club to have gambling equipment "such as playing cards, dice, poker "chips and other paraphernalia "on the premises."

These clubs that we have -- If you read the names in Appendix F, for example, -- If a pack of cards is found on these premises that can be, I do not say "will be", but that can be sufficient cause for cancellation of

possible-these things which ordinarily would not be permitted.

"It permits members to occupy a

"premises that can be frequented

"openly and daily by a large

"number of people."

There are many places in this city, but right of the week, which are frequented openly and daily by a large number of people. You do not need a social club charter. There are many social clubs - I am considering one which has been in operation for a considerable number of years unincorporated and their members have been meeting regularly and having functions in large numbers without the benefits of a charter.

The advantages of a charter are those which we -- The real advantages for the citizen are those that we reviewed yesterday, the limited liability, the continuance.

"It permits members in the place

"of a club to have gambling equipment

"when no-playing exists. Still, there

"would not be permissible

"on the premises."

These clubs that we have -- If you read the names in Appendix F, for example, -- If a peak of crude is found on these properties that can be, I do not say "will be", but there can be sufficient course for consolidation of

letters patent because a pack of cards is gambling paraphernalia.

Q. I cannot say there I entirely agree with you. A pack of cards can be a very innocent piece of equipment.

A. Well, your honour --

Q. If you came into my house you would probably find half a dozen packs of cards not entirely for bridge games. I would be shocked if someone suggested, because we had half a dozen packs of cards in the living room, that that would be evidence that we were using the living room for gambling purposes.

A. A pack of cards is gambling paraphernalia.

Q. It can be used, I will agree with that, for gambling purposes; but in essence it is not a piece of gambling equipment.

A. The provision --

Q. The inherent nature of the thing does not stamp it as a piece of gambling equipment. However, all this is beside the point.

A. I just wanted to clarify our explanation, to illustrate to you that the relationship of "it permits" was related not to the Criminal Code, as perhaps you may have assumed on reading because it is the first word, but it related to the charter.

Q. All right.

between persons possess a pack of cards in possession whatever.

Q. I assume you have I mentioned cards with you. A pack of cards can be a very innocent piece of equipment.

A. Well, your honour --

Q. If you came into my house you would probably find half a dozen packs of cards not entirely for bridge games. I would be shocked if someone suggested, because we had half a dozen packs of cards in the living room, that that would be evidence that we were using the living room for gambling purposes.

A. A pack of cards is gambling paraphernalia.

Q. It can be used, I will agree with that, for gambling purposes, but inference is not a piece of gambling equipment.

A. The provision --

Q. The innocent nature of the taking does not among it as a piece of gambling equipment. However, all this is beside the point.

A. I just wanted to clarify our explanation, to illustrate to you that the relationship of "it permits" was related not to the Criminal Code, as perhaps you may have assumed on reading because it is the first word, but is related to the character.

Q. All right.

A. Now, on page 54, at the bottom of the page on the left, Mr. Wintermeyer stated:

" Because the power to "incorporate resides in the Crown "the power to cancel a charter "also rests in the Crown."

Then, he proceeded to review. On the right we say:

" The laws of the Province and "the policy of the Department with "respect to the incorporatin and "cancellation of social club charters "have been set out at length supra."

And that was in the brief proper, as you will recall.

At page 55, at the top, he says:

" The significance of this "ruling, Mr. Speaker, is that the "Provincial Secretary can initiate "an action for cancellation of a "social charter."

On the right our comment is as follows:

" The Legislature has given "the Department neither the power "nor has it the staff to determine "whether corporations incorporated "under the law of Ontario are complying "with the general laws of Ontario "and of Canada and of the criminal

A. Now, on page 54, at the bottom of the page on the left, Mr. Whitemeyer states:

"... Measures the power to

"[illegible]

"the power to cancel a charter

"[illegible]."

Then, he proceeded to review, on the right as we go:

"... The laws of the Province and

"the policy of the Dominion [illegible]

"regard to the incorporation and

"[illegible] of social clubs [illegible]

"[illegible]."

And that was in the brief proper, as you will recall.

At page 55, at the top, he says:

"... The significance of this

"ruling, Mr. Speaker, is that the

"[illegible]

"an action for cancellation of a

"social charter."

On the right our comment is as follows:

"... The Legislature has given

"[illegible]

"nor has it the right to examine

"[illegible]

"under the law of Ontario are complying

"with the general laws of Ontario

"and of Canada and of the criminal

"law in particular. This is the
"accepted responsibility of the
"regulat police officials in the
"Province who are equipped to do
"this work and have done so as
"demonstrated by the reports made
"to the Department. In most cases
"the Department is not unaware . . . " -
That should be "not aware".. That is a typo-
graphical error, Mr. Commissioner -
". . . In most cases the Department
"is not aware of the fact that any
"corporation is violating the laws
"of the Province or of Canada until
"a report to that effect is sent to
A/4 "the Department by the police. . . .

" In those circumstances, the
"Department itself initiates an
"investigation, usually by requiring
"the corporation to produce all its
"books and, in addition, often by
"requesting the Ontario Provincial
"Police or the local police to make
"an investigation and to report to
"the Department on matters which
"might lead to sufficient cause
"to cancel the letters patent."
On page 56, at the top left, Mr. Wintermeyer

"to the Department. In most cases
"the Department is not unaware . . . " -
That should be "not aware". That is a typo-
graphical error, Mr. Commissioner -
". . . In most cases the Department
"is not aware of the fact that any
"corporation is violating the laws
"of the Province or of Canada until
"a report to that effect is sent to
"the Department by the police. . . .

" . . . In those circumstances, the
"Department finds itself in
"difficulties, dealing or replying
"the corporation to produce all its
"books and, in addition, often by
"requesting the Ontario Provincial
"Police or the local police to make
"an investigation and to report to
"the Department in writing such
"might be lead to sufficient cause
"to cancel the letters patent."
On page 59, at the top left, Mr. Commissioner

stated:

" They provide that the letters
"patent of a social club, other than
"a service club, shall limit the
"location of the club's activities,
"clubhouse or premises. Since 1960
"this restriction has been set out
"in law. This section forbids a
"social club to change the location
"of any of its premises without the
"written permission of the Provincial
"Secretary."

On the right we say:

" As set out supra the policy
"of the Department since July 1950,
"has been to provide in all Letters
"Patent since that date, where the
"objects are in whole or in part of
"a social nature, except in the case
"of a recognized service club, that
"the location of the activities or
"of the premises shall be limited
"to a particular street address.
"As previously mentioned this policy
"was codified in the regulations in
"1954 and so became 'law' then.
"Accordingly Mr.Wintermeyer's statement
"'since 1960 this restriction has been
"set out in law' is inaccurate.
"Presumably Mr. Wintermeyer is referring

section:

" They provide that the letters
"patent of a social club, other than
"a service club, shall limit the
"location of the club's activities,
"clubhouse or premises. Since 1960
"this restriction has been relaxed
"in law. The Ontario Liquor
"Control Act no longer bars a
"of any of its premises without the
"written permission of the Provincial
"Secretary."

On the right we say:

"As was our practice prior
"of the Department since July 1960,
"has been to provide in all letters
"Patent issued that date, where the
"objects are in whole or in part of
"a social nature, except in the case
"of a recognized service club, that
"the location of the activities or
"of the premises shall be limited
"to a particular street address.
"As previously mentioned this policy
"was codified in the regulations in
"1964 and so became 'law' then.
"Accordingly Mr. Winterquerque's statement
"since 1960 this restriction has been
"put out in law' is inaccurate.
"Prepared by J. Drake, Lt. Governor

"to the 1960 amendment set out supra
"which provided thaton and after
"April 12th,1960, no social club,
"whether incorporated before or
"after the new policy was adopted
"and even where its Letters Patent
"do not limit its activities or
"premises to a particular street
"address can thenceforth change
"the location thereof without the
"prior consent of the Provincial
"Secretary."

Mr. Wintermeyer stated on the left:

" The regulations also provide
"that the letters patent of all social
"clubs must contain two clauses, the
"first stating that the exemption
"for legal rake-off provided by the
"Criminal Code will not prevent
"cancellation of a club charter . . ." -

He did not stop there but went on to say -

". . . if it is shown to the
"satisfaction of the Provincial
"Secretary that the club is being
"used as a common gaming house."

On the right we say:

" Mr. Wintermeyer has mis-
"construed the regulation in question.
" Under Section 168(2) of the
"Criminal Code an incorporated bona

"to the 1960 amendment set out supra
"also provided [illegible] and after
"April 16th, 1960, no social club,
"whether incorporated before or
"after the new policy was adopted
"and even where its Letters Patent
"do not limit its activities or
"premises to a particular street
"address can incorporate unless
"the location thereof without the
"prior consent of the Provincial
"Secretary."

Mr. Wintermeyer based on the law:

" The regulations also provide
"that the letters patent of all social
"clubs must contain two clauses, the
"first stating that the [illegible]
"for legal rule-off provided by the
"Criminal Code will not prevent
"cancellation of a club charter . . ." -

He did not stop there but went on to say -

". . . if it is shown to the
"satisfaction of the Provincial
"Secretary that the club is being
"used as a common gaming house."

On the right we read:

" Mr. Wintermeyer has mis-
[illegible]

" Under Section 168(2) of the
"Criminal Code as interpreted been

"fide social club can charge a fee
"of 10 cents an hour or 50 cents
"per day per person for the privilege
"of participating in games without
"its being guilty of keeping a common
"gaming house. On the other hand,
"the special provision referred to
"by Mr. Wintermeyer which has been
"included in all social club Letters
"Patent since July 1st, 1950, provides
"affirmatively that if such a club
"charges any fee for the privilege
"of playing games on its premises,
"even the fee permitted by the Code,
"this will be sufficient cause for
"the cancellation of the charter."

On the left hand side of page 57 Mr. Wintermeyer stated:

" Now, Mr. Speaker, what is
"the policy of the Conservative
"Government towards chartered social
"clubs suspected of being gaming
"houses? The answer to that
"question is contained in a statement
"made by the hon.Attorney-General
"in this Legislature on February 23,
"1959, . . ."

On the right we say:

" In Appendix N are reproduced
"certain extracts from Hansard of

"Like social club can charge a fee
"of 10 cents an hour or 50 cents
"per day per person for the privilege
"of participating in games without
"the being liable of keeping a common
"gaming house. On the other hand,
"the special provision referred to
"by Mr. Whitemeyer which has been
"included in all social club Letters
"Patent since July 1st, 1890, provides
"affirmatively that if such a club
"charges any fee for the privilege
"of playing games on its premises,
"even the fee permitted by the Code,
"this will be sufficient cause for
"the cancellation of the charter."
On the left hand side of page 57 Mr.
Whitemeyer added:

" Now, Mr. Speaker, what is
"the policy of the Conservative
"Government towards chartered social
"clubs suspected of being gaming
"houses? The answer to that
"question is contained in a statement
"made by the hon.Attorney-General
"in this Legislature on February 25,
"1921 . .

On the right we say:

" In Appendix X are reproduced
"certain extracts from Hansard of

"February 19th, 1959, andFebruary
"23rd, 1959, respecting the
"cancellation of Letters Patent
"where inter alia is set forth
"in full the statement of the
"Attorney-General."

I would ask you, Mr. Commissioner, to turn to Appendix N.

I would like to read, since it relates to a discussion which took place in the Legislature a year and a half prior to Mr. Wintermeyer's speech and which he has quoted in parts, I would like to read that Appendix in full, Mr. Commissioner.

Q. Well, if you want to read it, all right.

A. " APPENDIX N
" Ontario Legislature
" (February 19th,1959)
" MR.J.J.WINTERMEYER (Leader of
"the Opposition): Mr. Speaker,
"Before the orders of the day, I
"would like to ask a question of
"the hon. Attorney-General. . . .

" The policy of the Provincial
"Secretary's Department is that no
"charter be issued to a social club
"without first being submitted to

"cancellation of Letters Patent
"where inter alia is set forth
"the full and [illegible] of the
"[illegible]."

I would ask you, Mr. Commissioner, to turn to Appendix N.

I would like to read, since it relates to a discussion which took place in the Legislature a year and a half prior to Mr. Whitemayor's speech and which he has quoted in parts, I would like to read that Appendix in full, Mr. Commissioner.

Q. Well, if you want to read it, all right.

A. " APPENDIX N

" Ontario Legislature

" (February 19th,1920)

" [illegible]

"Mr. [illegible], K.C. [illegible],

"Before the orders of the day, I
"would like to ask a question of
"the hon. Attorney-General. . . .

" The policy of the Provincial
"Secretary's Department is that no
"charter be issued to a social club
"without first being submitted to

"the chief of police of the
"municipality, and to the Ontario
"provincial police. If any
"organization, whose charter we
"have approved, has a charge
"brought against its members for
"breaking the law in any way, . . ."

Q. Excuse me a moment. I do not want a political arena to be transferred here.

Let me see the Letters Patent setting up this Commission.

I have been appointed --

". . . to inquire into and report
"upon:
"(1) the administration of the laws
"and regulations regarding the
"incorporation and operations of
"social clubs having regard to
"allegations made by the Leader of
"the Opposition in his speech of
"November 29th, 1961; . . ."

I should think, Mr. Yaremko, and I say this most deferentially to you, that what I am concerned with under that heading are these matters: What are the laws and regulations regarding the incorporation and operation ofsocial clubs? Two, have those laws been administered?

I am not too happy that the record of the

"the chief of police of the
"municipality, and to the Ontario
"provincial police. If any
"municipality, whose chief or
"have approved, has a charge
"against against its members for
"breaking the law in any way, . . ."

Q. Excuse me a moment. I do not want a political arena to be transferred here.

Let me see the Letters Patent setting up this Commission:

"I have been requested —

". . . to inquire into and report
"upon:

"(1) the administration of the laws
"and regulations regarding the
"incorporation and operation of
"social clubs having regard to
"allegations made by the leader of
"the Opposition in his speech of
"November 29th, 1951; . . . "

I should think, Mr. Vanemko, and I say this most deferentially to you, that what I am concerned with under that heading are these matters: What are the laws and regulations regarding the incorporation and operation of social clubs? Two, have those laws been administered?

I am not too happy that the record of the

proceedings before me should include some political discussions in the House. At the moment I do not think it is going to advance the matter at all to have the particular appendix to which you have been referring, and part of which you have read, made part of the record before me.

Now, if you think I am wrong I would be very happy if you would tell me in what respect I am wrong?

A. Well, Mr. Commissioner, I would defer to your judgment in this matter.

The reason for having included Appendix N was that in the reference to you there is a relationship to - having regard to the allegations by Mr. Wintermeyer in the Legislature,- the Leader of the Opposition. Mr. Wintermeyer, in the course of his statement, his allegations, quoted certain portions of the statements made in the Legislature. I thought it might be useful for you to have the whole of those proceedings rather than a portion.

When I asked you to turn to Appendix N, if you will recall, I paused and said I should like to read and, having assumed that

A.5 I had made myself clear, that the reason for that was because portions had been quoted in this speech, that perhaps all of the statements -- But I defer to your judgment. It is not my intention to turn this into a political

proceedings before me should include some political discussions in the H use. At the moment I do not think it is going to advance the matter in hand if we have the particular appendix to which you have been referring, and part of which you have read, made part of the record before me.

Now, if you think I am wrong I would be very happy if you would tell me in what respect I am wrong?

A. Well, Mr. Commissioner, I bow to your judgment in this matter.

The reason for asking National Geographic

H was that in the reference to you there is a relationship to - having regard to the allegations by Mr. Winterover in the Legislature,-- the leader of the opposition. Mr. Winterover, in the course of his statement, his allegations, quoted certain portions of the statements made in the Legislature. I thought it might be useful for you to have the whole of those proceedings rather than a portion.

When I asked you to turn to Appendix H, if you will recall, I paused and said I should like to read one, having assured that I had made myself clear, that the reason for that was because portions had been quoted in this speech, that perhaps all of the statements -- for I defer to your judgment. It is not my intention to turn this into a political

arena. We are examining at this point a speech made in the Legislature with reference to whether the administration of the laws and regulations have been properly administered.

I think what I shall -- We will delete Appendix N from the brief and confine our remarks to the analysis of what Mr. Wintermeyer has actually stated. I think when we come to the mention of the portions in which he takes upon himself to interpret the statements of the Attorney-General, then I think the matter, so far as the Department is concerned, will have been sufficiently dealt with. I am quite content to have Appendix N deleted from the brief.

Q. All right.

A. So that, from the brief, Mr. Commissioner, what appears on the right hand column of page 57 will be deleted.

Q. Well, you cannot very well delete it. There it is. But let us treat it as not being there, if you want to put it that way.

A. The next page:

"Now how have the Department of
"the hon. Attorney-General and
"the Department of the hon.Provincial
"Secretary enforced the laws and
"carried out government policy with
"respect to chartered social clubs

among. We are counting at this point a
reason made in the Legislature with reference
to [illegible] or the [illegible]
and regulations have been properly administered.

I think what I shall -- We will delete
Appendix N from the brief and confine our
remarks to the analysis of what Mr. Montgomery
has actually stated. I think when we come
to the mention of the portions in which he
takes upon himself to interpret the statements
of the Attorney-General, then I think the
matter, so far as the Department is concerned,
will have been sufficiently dealt with.
I am quite content to have Appendix N deleted
from the brief.

Q. All right.

A. So that, from the brief, Mr.
Commissioner, what appears on the right hand
[illegible] of page 37 will be [illegible].

Q. Well, you cannot very well delete
it. There it is. But let us treat it as
not being there, if you want to put it that
way.

A. The next page:

"Now how have the Department of
"the Hon. Attorney-General and
"the Department of the Hon.Provincial
"Secretary enforced the laws and
"[illegible] and government policy with
"[illegible] [illegible]

"and illegal gambling? An
"examination of the records will
"demonstrate there have been
"flagrant violations of all points
"of the law in all aspects of
"policy, not just once, but on
"frequent occasions."
On the right we say:
" The way the Department of
"the Provincial Secretary has
"enforced the laws and carried
"out Government policies with respect
"to chartered social clubs and
"illegal gaming is summarized infra
" To assist the Commissioner
"the Department has extended all
"its efforts in a review of its
"files of the last 11½ years, and
"will give particulars of or refer
"to 1,295 files, of which Mr. Winter-
"meyer has referred to 32 in his
"speech. (See Appendix L).
" The Department denies Mr.
"Wintermeyer's statement that 'there
"have been flagrant violations of
"all points of the law in all aspects
"of policy, not just once, but on
"frequent occasions.' This denial
"will be supported by an examination
"of each of the allegations made by

"Not alleged qualitatively. As
"quantitative as our reports will
"permit, there have been
"flagrant violations of all points
"of the law in all aspects of
"policy, not just one, but on
"frequent occasions."

On the right we say:

" The way the Department of
"the Prohibition Commissioner has
"enforced the laws and carried
"out Government policies with respect
"to chartered social clubs and
"fraternal societies is unfortunate indeed.

" To assist the Commissioner
"the Department has extended all
"the efforts in a review of the
"files of the last 4½ years, and
"will give particulars of or refer
"to 1,295 files, of which Mr. Hoover-
"never has referred to 32 in his
"speech. (See Exhibit D).

" The Commissioner points to.

"Hoover's statement that 'there
"have been flagrant violations of
"all points of the law in all aspects
"of policy, not just one, but on
"frequent occasions.' This general
"will be supported by an examination
"of each of the allegations made by

"Mr. Wintermeyer upon which he
"bases his charges."
On the leftMr. Wintermeyer stated:
" The hon.Attorney-General's
"statement of policy declared that
"it is the practice of the hon.
"Provincial Secretary's Department
"and has been since 1949 to refer
"all applications for social club
"charters to local police and to the
"Ontario Provincial Police."

Mr. Commissioner, I pause at this point to comment that the terms of reference are very broad. You see, just prior to that Mr. Wintermeyer states:

"An examination of the records will
"demonstrate there have been flagrant
"violations of all points of the law
"in all aspects of policy, not just
"once, but on frequent occasions."

We will present this brief and I suggest at this point that it will be encumbent, perhaps, upon you to state what is the law that is being administered because we come into a phase now where Mr. Wintermeyer is using certain examples, and he states:

(Page 9491 follows)

"Mr. Winterowyr upon which he
"based his charges."

On the left, Winterowyr stated:

"statement of policy declared that
"it is the practice of the hon.
"Provincial Secretary's Department
"and has been since 1949 to refer
"all applications for mental cla-
"ssifications to local police and to the
"Security Intelligence Police."

Mr. Commissioner, I pause at this point to
say that this issue of performance is
very broad. You see, just prior to that
Mr. Winterowyr states:

"An examination of the records will
"demonstrate there have been flagrant
"violations of all points of the law
"in all aspects of policy, not just
"one, but on frequent occasions."

We will present this brief and I suggest
at this point that it will be convenient, perhaps,
upon you to state what is the law that is
being administered because we come into a
phase now where Mr. Winterowyr is using
certain terminology, and so forth.

(Sec. 2(2) Cdn.)

B/FJMcG/1

THE WITNESS: "The hon. Attorney General's "statement of policy declared that it "is the practice of the hon. Provincial "Secretary's Department and has been "since 1949 to refer all applications "for social club charters to local "police and to the Ontario Provincial "Police. Mr. Speaker, all social "club charters were not investigated "by the police. The following were "not investigated."

I assume we are now getting into violations of all points of the law in all aspects of policy that he has referred to. He mentions three clubs:

"1. Chipper Sales & Advertising "Club, 1 Howard Park Avenue;

" Showmen's League of America, "1 Howard Park Avenue;

" The Portuguese-Canadian "Association of Toronto, 274 College "Street, Toronto."

Then, Mr. Commissioner, on the right we have the following:

"Chipper Sales & Advertising "Club.

"Incorporated under the Ontario "Corporations Act, by Letters Patent "dated August 24th, 1959 . . . . "

---(Page 58)

[illegible]: "On Oct. Attorney General's
"statement of policy declared that it
"is the practice of the Hon. Provincial
"Secretary's Department and has been
"since 1949 to refer all applications
"for social club charters to local
"police and to the Ontario Provincial
"Police. Mr. Speaker, all social
"club charters were not investigated
"by the police. The following were
"not investigated."

I assume we are now getting into violations of all points of the law in all aspects of policy that he has referred to. He mentions three clubs:

"1. [illegible] & Amusement
"Club, 1 Howard Park Avenue;
" Showmen's League of America,
"1 Howard Park Avenue;
" [illegible]
"Association of Toronto, 274 College
"Street, Toronto."

Then, Mr. Commissioner, on the right we have the following:

"Chipper Sales & Advertising
"Club.
"Incorporated under the Ontario
"Corporations Act, by Letters Patent
"dated August 24th, 1950 . . . . "

---(Page 50)

"(h) To provide offices and other "facilities for the dissemination of "promotional literature and other "information relating to the industry "and for the convenience of the "various members in holding con- "ferences and meetings."

I pause for a moment to direct your attention, Mr. Commissioner, to Appendix G. In all of these appendices we have been giving the names of the applicants and the solicitors, in all the files we have presented before you. We did not have them ready at the time this was prepared. On page 18 of Appendix G you will find that the applicants were: Joseph Robert Price of the City of Toronto, George Edward Hartley of the Town of Brampton, James Maurice Lumby of the City of Kitchener, and the solicitors were Crabtree, Crabtree & Stewart of Toronto. We give that information with respect to all of the files.

I resume reading the brief:

"The initial letter from the "solicitor stated that the application "was for incorporation of 'a trade "association of persons engaged in "the potato chip industry.' . . . ."

---(Page 59)

"(b) To provide offices and other
"facilities for the dissemination of
"parliamentary literature and other
"information relating to the industry
"and for the convenience of the
"various members in holding con-
"ferences and meetings."

I pause for a moment to direct your attention, Mr. Commissioner, to Appendix A. In all of these applications we have been giving the names of the applicants and the solicitors, in all the files we have presented before you. We did not have them ready at the time this was prepared. On page 18 of Appendix A you will find that the applicants were: Joseph Robert Price of the City of Toronto, George Edward Hartley of the Town of Brampton, James Maurice Lundy of the City of Kitchener, and the solicitors were Crabtree, Crabtree & Stewart of Toronto. We give that information with respect to all of the files.

I resume reading the brief:

"The initial letter from the
"solicitor stated that the application
"was for incorporation of 'a trade
"association of persons engaged in
"the potato chip industry.' . . . "

---(Page 59)

"It is arguable that, in accordance with "the extremely wide interpretation "which the Department itself has given "to 'objects of a social nature' the "objects of this corporation are in "part of a social nature."

THE COMMISSIONER: I cannot see how, by the widest stretch of the imagination, a charter could be approved for this as a bona fide social club. You could easily strike out the words "social club". It seems to be a commercial concern to me. However, that may be neither here nor there.

THE WITNESS: "In dealing with this "application the decision was made "that it be not referred.

"To date the Department has "not received any complaint with "respect to this corporation from "the police or any other source."

THE COMMISSIONER: Isn't that perhaps your best answer, not the one you have given but the one I have just suggested? You do not refer to the police applications for charter to carry on commercial activities?

A. Mr. Commissioner, you will find upon examination ---

Q. No, no, let us take it a step at a time. I am right in that, am I? If an application is made by a corporation of an

"It is arguable that, in accordance with
"the extremely wide interpretation
"which the Department itself has given
"to 'objects of a social nature' the
"objects of this corporation are in
"part of a social nature."

THE COMMISSIONER: I cannot see how, by the widest stretch of the imagination, a charter could be approved for this as a bona fide social club. You could easily strike out the words "social club". It seems to be a commercial concern to me. However, that may be neither here nor there.

THE WITNESS: "In dealing with this
"application the decision was made
"that it be not pursued.
"To date the Department has
"not received any complaint with
"respect to this corporation from
"the police or any other source."

THE COMMISSIONER: Isn't that perhaps your best answer, not the one you have given but the one I have just suggested? You do not refer to the police applications for charter to carry on commercial activities?

A. Mr. Commissioner, you will find upon examination ---

Q. No, no, let us take it a step at a time. I am right in that, am I? If an application is made by a corporation of an

industrial type or commercial type you do not refer that to the police?

A. No, we don't.

Q. When you receive an application for the incorporation of a company without share capital which, on its face, would appear to be a social club, with social activities, you do refer it to the police. From time to time you had internal rules and regulations in the Department with respect to that.

Now, the fact that this was not referred to the police, I think the best answer is that by no stretch of the imagination could it be construed as an application for incorporation of a social club. How does that appeal to you?

A. I accept that completely.

Q. Well then, you have to change your brief because in your brief you say that the objects of this corporation are in part of a social nature. I cannot see it.

A. Well, if you will refer to paragraph (b) of the many paragraphs, they were going to meet somewhere and, being human, I guess if they have common interests -- they use the words "provide club premises", and since they called it an advertising club instead of an advertising corporation, that is to say, "To provide club premises

Advertising type or commercial use, you do not refer that to the police?

A. No, we don't.

Q. When you receive an application for the incorporation of a company without share capital which, on its face, would appear to be a social club, with social activities, you do refer it to the police.

From time to time you had informal rules and regulations in the Department with respect to that.

Now, the fact that this was not referred to the police, I think the best answer is that by no stretch of the imagination could it be construed as an application for incorporation of a social club. Do you agree that appeal to you?

A. I accept that completely.

Q. Well then, you have to change your brief because in your brief you say that the objects of this corporation are in part of a social nature. I cannot see it.

A. Well, if you will refer to paragraph (b) of the many paragraphs, they were going to meet somewhere and, being human, I guess if they have common interests -- they use the words "provide club premises", and since they called it an advertising club instead of an advertising corporation, that is to say, "To provide club premises

and other conveniences for the members of the corporation", they used the word "club", you see.

Q. The use of the word "club" does not make it a social club. The language they have used does not make it an application for incorporation of a social club.

A. Mr. Commissioner, nowhere is the word "social club" defined. The Department, in dealing with these applications, you will find, has gone to the extreme in their references to the police. I can put it that if there is even a smell of sociability of any kind, the Department has leaned backwards in these referrals, as you will see by examining the objects clauses of what we have listed as being social clubs. It varies all the way from being a social club to having sociability to the nth degree which happens when these people get together with common interests.

B/2 I will continue, Mr. Commissioner, on page 59 with the Department's comment:

"Showmen's League of America, "Ontario Chapter.

"Incorporated under The Ontario "Corporations Act by Letters Patent "dated August 6, 1959 . . . . "

---(Page 60)

and other amendments for the purpose of the corporation", they used the word "club", you see.

Q. The use of the word "club" does not make it a social club. The language they have used does not make it an application for incorporation of a social club.

A. Mr. Commissioner, nowhere in the word "social club" defined. The Department, in dealing with these applications, you will find, has gone to the extreme in their references to the police. I can put it that if there is even a smell of sociability of any kind, the Department has leaned backwards in these referenis, as you will see by examining the objects clauses of what we have titled as being social clubs. It varies all the way from being a social club to having sociability to the nth degree which happens when these people are together for some intervals.

I will continue, Mr. Commissioner, on page 39 with the Department's comment:

"Brownson's League of America.

"Ontario Chapter.

"Incorporated under The Ontario Corporations Act by Letters Patent

"Dated January 5, 1922 . . . . . *

---(Page 39)

"On April 22nd, 1959, an order
"was made cancelling the Letters Patent
"for cause."

Then, Mr. Commissioner, on the left Mr. Wintermeyer continued:

"4. The Centre Road Veterans
"Association, sometimes called the
"Vets Club, Toronto Township, I shall
"have more to say about this
"later . . . . another fact which
"the hon. Attorney General forgot
"to mention in his press release."

Following this we will be reviewing -- I know you have had a good deal of evidence -- this will be in some respects a review in relation to these three clubs:

"Centre Road Veterans Association;
"Roseland Veterans Association;
"Frontier Veterans Association;
"Incorporation proceedings . . . . "

---(Page 61)

---(Page 62)

" . . . . and that at present pro-
"ceedings are under way against
"the third."

Mr. Commissioner, that third one has since been cancelled too.

"Centre Road Veterans Association.
"The first intimation the Department

"on April 22nd, 1950, an order
"was made cancelling the Letters Patent
"for Canada."

Then, Mr. Commissioner, on the 24th Mr.
Stevenson testified:

"Q. You drove that Veteran
"Association, everything going up
"this club. Would Donnelly, I think,
"have more to say about this
"than . . . Another fact which
"the Hon. Attorney General forgot
"to mention in his opening remarks."

Following this we will be reviewing --
I know you have had a good deal of evidence --
this will be in some respects a review in
relation to these three clubs:

"Sarnia Road Veterans Association;
"Wallaced Veterans Association;
"Donnelly Veterans Association;
"Independent Veterans Association . . . ."

---(Page 61)

---(Page 62)

" . . . . and that at present pro-
"ceedings are under way against
"the third."

Mr. Commissioner, that third one has
also been cancelled too.

"Sarnia Road Veterans Association.
"The first institution the Department

"received from the police complaining
"about the Centre Road Veterans
"Association . . . . "

---(Page 63)

"If the Association had remained under
"Federal jurisdiction, the Provincial
"Secretary would not have had the
"authority to cancel for cause."

Then, Mr. Commissioner, at page 64 Mr. Wintermeyer stated:

"The Roseland Club at Windsor
"lost its provincial charter on
"March 8, 1958, as a result of a
"court conviction two months before
"of two men, Curly Gardner and
"Leo Finnigan, on charges of keeping
"a common gaming house. Well, the
"hon. Attorney General may say we
"finally got them. Mr. Speaker,
"that conviction was obtained
"despite the hon. Attorney General,
"not because of him.

"The Roseland Club had been
"raided and raided again and again
"by the police. And because of
"its charter club set-up and for
"the reasons I shall explain later
"on, no evidence to support the
"laying of charges could be found."

"received from the police association
"about the Ganges Road Veterans
"Association . . . . "

---(Page 63)

"If the Association had received some
"federal incorporation, the Provincial
"Secretary would not have had the
"authority to cancel the charter."
Then, Mr. Chairman, to quote Mr.
Mr. Waterfield asked:

"The Roseland Club of Windsor
"lost its provincial charter on
"March 6, 1959, as a result of a
"court conviction two months before
"of two men, Curly Gardner and
"Lee Hinkley, on charges of keeping
"a gaming house. Well, the
"Hon. Attorney General may say we
"finally got them. Mr. Speaker,
"that conviction was overturned
"despite the Hon. Attorney General,
"not because of him.

"The Roseland Club had been
"raided and raided again and again
"by the police. And because of
"its charter club set-up and for
"the reasons I shall explain later
"on, no evidence to support the
"laying of charges could be found."

Then, Mr. Commissioner, on the right hand side of page 64:

"Roseland Veterans Association.

"Incorporated under The Ontario "Corporations Act, by Letters Patent, "dated July 5th, 1957 . . . . "

---(Page 64)

" If the Association had remained "under Federal jurisdiction, the "Provincial Secretary would not have "had the authority to cancel for "cause."

Then, Mr. Commissioner, on the lower left hand side of page 64:

"The Frontier Veterans "Association at Port Eric was "incorporated, according to records "in the hon. Provincial Secretary's "Department . . . . "

---(Page 65)

"The charter is still in good standing "despite this fact, and despite the "fact that in 1958 Bertie Township "formed its own police force and "the club was raided so often that "business fell away and the operators "were obliged to close down."

Then, Mr. Commissioner, the comment of

Then, Mr. Commissioner, on the right hand side of page 64:

Counsel Wardle Interjects.

"Incorporated under The Ontario
"Corporations Act, by Letters Patent,
"dated July 2nd, 1927. . . . ."

---(Page 64)

" . . . If the Association had remained
"under Federal Jurisdiction, the
"Provincial Secretary would not have
"had the authority to cancel for
"cause."

Then, Mr. Commissioner, on the lower left hand side of page 64:

"The Prentice Veterans
"Association at Fort Erie was
"incorporated, according to records
"in the Hon. Provincial Secretary's
"Department . . . ."

---(Page 65)

"The charter is still in good standing
"despite this fact, and despite the
"fact that in 1953 Fortie Township
"formed its own police force and
"the club was raided so often that
"business fell away and the operators
"were obliged to close down."

Then, Mr. Commissioner, the comment of

the Department, reverting back to page 64, is as follows:

"Frontier Veterans Association.

"Incorporated under The Ontario "Corporations Act, by Letters Patent "dated July 5th, 1957 . . . . "

---(Page 65)

"Because the club is now under "provincial jurisdiction the Provincial "Secretary is entitled to institute "cancellation proceedings and the "same has been done.

"Corporations retain their "corporate personality even though "they cease to be active.

"If the Association had remained "under Federal jurisdiction, the "Provincial Secretary would not have "had the authority to cancel for "cause."

Then, Mr. Commissioner, on the lower left hand side of page 65 Mr. Wintermeyer says:

"Now, let us examine the Ramsay "Club in Niagara Falls. The House "will recall I have said that Vincent "Feeley and Joseph McDermott obtained "interests in the Ramsay Club in the "latter part of 1959. The Ramsay "Club has a federal charter and its

the Department, reverting back to page 94, is as follows:

"Amount Varying Assessment.

"Incorporated under The Ontario "Corporations Act, by Letters Patent "dated July 5th, 1897 . . . . "

---(Page 95)

"Based the right to ..... "Provincial Variations on Provincial "Secretary is entitled to institute "constitutional prosecution and the case has been done.

"Supremacy rights there. "Corporate personality even though "they were 3-Dominion.

"If the Association had remained "under Federal Jurisdiction, the "Provincial Secretary would not have "had the authority to cancel for "cause."

Then, Mr. Commissioner, on the lower left hand side of page 95 Mr. Wintermeyer says:

"Now, let us examine the Ramsay "Club in Thunder Bay. We have "this result I have said that Vincent "Meloy and Joseph Mazzuca continued "interests in the Ramsay Club in the "latter part of 1959. The Ramsay "Club has a federal charter and its

"annual returns show two names appearing "as club directors in 1960 for the "first time. Those names are Henry "Damore and Frank Muscato, two of "the directors of the closed-down "Frontier Club. There has also been "evidence in court that the steward "of the Ramsay Club after Feeley and "McDermott moved in was Syd Ross, "apparently the same man who was "the third director of the Frontier "Club. It may also interest the "House to know that the Ramsay Club's "federal charter has not been "cancelled."

Then, Mr. Commissioner, on the right hand side the Department's comment:

"Ramsay Club.

"Incorporated under federal "statutes.

"It was discussed supra.

"This club illustrates very "forcefully the fact that since it is "a federal charter the Provincial "Secretary has no jurisdiction; and "this was also the situation with "the last three clubs discussed until "they were brought under the provincial "statute and regulations."

Then, Mr. Commissioner, at the top of

"annual returns show the names appearing
"as club directors in 1960 for the
"Pirate Club. [illegible]
"Beverly and Grand Beach, the ex-
"the directors of the closed-down
"Monitor Club. There has also been
"evidence in court that the steward
"of the Beverly Club after Dwyer and
"McDermott moved in was Red Ross,
"[illegible] the same man as the
"[illegible] director of the Prestige
"Club. It may also interest the
"House to know that the Ramsay Club's
"[illegible] has not been
"[illegible]."

Then, Mr. Commissioner, on the right hand side the Department's comment:

"Ramsay Club.

"[illegible]

"abstain.

"It was discussed again.

"[illegible]

"Correctly the fact that since it is
"a federal charter the Provincial
"Secretary has no jurisdiction; and
"this was also the attitude with
"the last-[illegible] director with
"[illegible] keeps under the provincial
"statute and regulations."

Then, Mr. Commissioner, at the top of

B/3

page 66 on the left hand side:

"The records of the hon. Provincial "Secretary's Department show that the "directors of the Centre Road Veterans "Association . . . . ."

---(Page 66)

" . . . . For several years before a "conviction of illegal gambling was "obtained in 1960."

The comment on the right is as follows:

"Finnish Social Club.

"This reference is likely to the "Finnish Social Club of Timmins "incorporated under The Ontario "Companies Act, by Letters Patent "dated December 21, 1952 . . . . on "February 12th, 1960, an order was "made cancelling the Letters Patent "for cause."

Then Mr. Wintermeyer states on the left hand side at the bottom of page 66:

"Despite this record of Pleschuk "and Laffradi, and despite the fact "that Lincoln Turner . . . . these "then, Mr. Speaker, were the three "social clubs for whom the hon. "Attorney General set aside the policy of police "investigation when the government "granted charters in 1957."

page 66 on the left hand side:

"The records of the Hon. Provincial
"Secretary's Department show that the
"Directors of the Ontario Jockey Club
"Association . . . ."

---(Page 66)

" . . . . For several years before a
"corporation or limited partnership was
"obtained in 1900."

The comment on the right is as follows:

"Kinsley Racing Club.

"This reference is likely to the
"Kinsley Racing Club of Toronto
"incorporated under The Ontario
"Companies Act, by Letters Patent
"dated December 21, 1892 . . . . on
"February 11th, 1900, an order was
"made cancelling the Letters Patent
"for cause."

Then Mr. Hinsperger states on the left hand side at the bottom of page 66:

"Despite this record of Fiasco,
"and Graft, and despite the fact
"that Lincoln Turner . . . . three
"then, Mr. Speaker, were the three
"social clubs for which the Hon.
"Attorney General was active of police
"investigation and the government
"granted charters in 1897."

Then, Mr. Commissioner, the comment on the right:

"The detailed proceedings leading "to the holding of the hearings "respecting the Centre Road Club . . . . "that the Provincial Secretary was "able to dissolve two of the "associations as corporate entities "and that he has been able to "institute cancellation proceedings "against the third."

And, as I say, Mr. Commissioner, that has since been cancelled.

THE COMMISSIONER: We will have ten minutes.

---A short recess.

THE WITNESS: At the top of the left hand column on page 67 Mr. Wintermeyer states:

"The hon. Attorney General in "his policy statement also said it is "not the practice of the hon. Provincial "Secretary to grant a charter if the "police have legitimate objection . . . . "

The comment at this point, Mr. Commissioner, is:

"The Attorney General used the "words 'legitimate objection' . . . . "

---(Page 67)

Then, Mr. Commissioner, the comment on the evidence:

"The detailed proceedings leading
"up to the making of the resolution
"establishing the Justice Bureau . . . .
"that the Provincial Secretary was
"able to discover two of the
"associations as corporate entities
"and that he has been able to
"identify their constitutions, presidents,
"members are valid."

And, as I say, Mr. Commissioner, that has since been cancelled.

The commission: We will stay ten minutes.

---A short recess.

THE WITNESS: At the top of the last bold column on page 97 Mr. Wunderlich asserts:

"The hon. Attorney General in
"his policy statement also said it is
"now the practice of the hon. Provincial
"Secretary to create a character if the
"police have legitimate objection . . . ."

The comment is valid, Mr. Commissioner.

Ia:

"The Attorney General used the
"'legitimate objection' . . . .

---(page 97)

" . . . . that the two are in all cases
"necessarily synonymous."
Then, Mr. Commissioner, Mr. Wintermeyer continued on the left:
"Mr. Speaker, I am going to read
"to this House the names of several
"social clubs which were granted
"charters . . . . this club is suspected
"by the Metro Police as a gaming house."
Then, Mr.Commissioner, the comment on the right:
"Bathurst-Sheppard Social &
"Athletic Club Incorporated.
"Incorporated under The Ontario
"Corporations Act by Letters Patent
"dated November 20th, 1959.
"The objects are as follows --- "
THE COMMISSIONER: Well, you do not need to read the objects, do you?
A. Very well.
"The application was referred to
"the Ontario Provincial Police and
"the Metropolitan Toronto Police . . . .
"'however, in view of the applicants'
"apparent lack of interest in athletics,
"the unorganized club activities and
"their interest in gambling, this
"writer is opposed to the granting
"of Letters Patent.'"
Then, Mr. Commissioner, the comment on

" . . . , then, who was in all cases
"necessarily questioned,"
"Mr. McCullough", Mr. Commissioner
continued on the left:
"Mr. Speaker, I am going to read
"to this House the names of several
"social clubs that were formerly
"eastern . . . . This club is suspected
"by the Metro Police as a gaming house."
Then, Mr. Commissioner, the counsel on
the right:
"Incorporated under The Ontario
"Corporations Act by Letters Patent
"(Level Summary Form, 2nd).
"The objects are as follows --- "
THE COMMISSIONER: Well, you do not need
to read the objects, do you?
A. That's all.
"The application was referred to
"the Ontario Provincial Police and
"the Metropolitan Toronto Police . . . .
"However, in view of the applicants'
"apparent lack of interest in athletics,
"the unorganized club activities and
"their interest in gambling, this
"matter is opposed to the granting
"of Letters Patent."
Then, Mr. Commissioner, the counsel on

the right:

"On considering these matters and "in the exercise of his discretion the "Hon. Mackinnon Phillips issued Letters "Patent . . . . "

---(Page 68)

" . . . . and a hearing was held, which "commenced on January 19th, 1962, and "which at the date of this brief was "not completed."

Since that time, Mr. Commissioner, the hearing has been completed and the letters patent have been cancelled for breach of the provisions ofthe letters patent. I may say that my recollection is that a good deal of the evidence centered about the fact that there were photographs of packs of cards and a sign on the wall that 10 cents an hour was being charged. That additional information will be available for you, if you so seek it, with the file.

I go back to page 67 where on the left hand side it states as follows:

"The clubs which the police "investigated and reported upon "adversely were:

"(2) The Chinese Business Men's "Cultural Society, Toronto. The "Metro Police reported adversely on

the right:

"On considering these matters and
"in the exercise of his discretion the
"Sec. Commissioner refused issue patents
"thereon . . . . "

---(Page 60)

" . . . . and a hearing was held, which
"commenced on January 12th, 1920, and
"which on the date of this brief was
"not completed."

Since this time, Mr. Commissioner, the hearing has been completed and the letters patent have been cancelled for breach of the provisions of the letters patent. I say as that my recollection is that a good deal of the evidence centered about the fact that and a man on one week that 10 cents an hour was being charged. That additional information will be available for you, if you so meet it, with the file.

I go back to page 67 where on the left hand side it reads as follows:

"The claims which the police
"investigated and reported upon
"adversely were:

"(1) The Ontario Electric Ball's
"Cultured Section, Toronto. The
"Sun-Ultra (Central) advertising or

"this applicant in May of 1959. Letters "Patent were issued on July 8th, 1959. "A second adverse police report on "this club was made on September 15, "1959.

"Dr. H.W. Lore, one of the "incorporators, ran or helped to run "the Chee Kung Tong Club which was "dissolved November 22, 1958, because "of a conviction."

I return now to page 68, on the right hand side:

"Chinese Business Men's "Cultural Society.

"By its Letters Patent the "clubhouse or similar premises were "limited to 180 Dundas Street West, "Toronto.

"The objects are --"

THE COMMISSIONER: You don't need to read them.

A. With all due deference, Mr. Commissioner, I think it does have a bearing in this instance.

THE COMMISSIONER: Very well.

A. "'(a) To promote interest in "and the study of Chinese dramatics, "dances, songs, entertainment and "other forms of Chinese culture.

"'(b) To manage, conduct and

"this application in May of 1959. Between
"[illegible] as this company.
"A second divorce police report on
"this club was made on September 15,
"1959.
"Dr. H.W. Lowe, one of the
"incorporators, ran or helped to run
"the Chee Kung Tong Club which was
"[illegible] by [illegible],
"of a conviction."
I return now to page 63, on the right
hand side:
"[illegible]
"[illegible]
"[illegible] or similar premises were
"limited to 180 Dundas Street West,
"[illegible].
"The objects are [illegible]"
THE COMMISSIONER: You don't need to read
them.
A. With all due deference, Mr.
Commissioner, I think it does have a bearing
in this instance.
[illegible]
A. "'(a) To promote interest in
"and the study of Chinese dramatics,
"[illegible] and
"other forms of Chinese culture.
"'(b) To manage, conduct and

"organize the public exhibition of
"Chinese culture in its various forms.'"
I think, Mr. Commissioner, that is
sufficient of the objects.
"The application was referred
"to the Metropolitan Toronto Police
"and to the Ontario Provincial
"Police . . . . "

---(Page 69)

"The report of the Metropolitan
"Toronto Police indicated that an
"inspection had been conducted of
"the proposed club premises and the
"Inspector of the Building . . . . "
Mr. Commissioner, I do not think that word
"development" should be there but it should
read:
" . . . . the Inspector of Buildings
"indicated that the second floor . . . . "

---(Page 70)

B/4 "The reports of the Provincial Police
"and the Metropolitan Toronto Police
"were unfavourable and the application
"was not granted."

(Page 9507 follows)

"organize the public exhibition of
"Chinese culture in its various forms."
I think, Mr. Commissioner, that is
sufficient of the objects.

The regulations are entered
"to the Metropolitan Toronto Police
"and to the Ontario Provincial
"Police . . . . "

---(page 69)

"The report of the Metropolitan
"Toronto Police indicated that an
"inspection had been conducted of
"the proposed club premises and the
"Inspector of the Building . . . . "
Mr. Commissioner, I do not think that word
"development" should be there but it should
read:

" . . . . the Inspector of Buildings
indicated that the second floor . . . . "

---(page 70)

"The reports of the Provincial Police
"and the Metropolitan Toronto Police
"were unfavourable and the application
"was not granted."

(Page 9507 follows)

C/FTP/1

---(Continuing to read from page 70)

THE WITNESS: We turn to page 67 again to tie in, where he stated:

"The clubs which the police "investigated and reported upon "adversely were:

"(3) The Apter Friendly Society, "Toronto. The Metro Police reported "adversely on this club on "January 17th, 1960, and a charter "was granted on March 28th, 1960."

Then on page 70 the comment of the Department on the right is as follows:

"Apter Friendly Society Incorporated -- "Incorporated under The Ontario "Corporatinns Act by Letters Patent "dated March 28th, 1960 . . . . "

---(Page 71)

"'For my part I cannot see why "this charter should be granted at "this time as I see no reason why "their objects cannot be attained "with or without a charter, having "in mind the objects listed by "Mr. Thomas H. Thomson, solicitor "for the Apter Friendly Society (sic).'"

Mr. Thomas H. Thomson is a solicitor with the Department of the Provincial Secretary.

---(Continuing to read from page 70)

THE WITNESS: We turn to page 67 again to tie in, where he stated:

"The clubs which the police
"investigated and reported upon
"adversely were:

"(2) The Maple Wheels Society,
"Toronto. The Metro Police reported
"adversely on this club on
"January 13th, 1960, and a charter
"was granted on March 26th, 1960."

Then on page 70 the comment of the Department on the right is as follows:

"Have previously been incorporated
"Incorporated under The Ontario
"Corporations Act by letters Patent
"dated March 26th, 1960 . . . . "

---(Page 71)

"For my part I cannot see why
"this character should be granted at
"this time as I see no reason why
"their objects cannot be attained
"with or without a charter, having
"in mind the objects listed by
"Mr. Thomas H. Thomson, initiator
"for the Ajax Wheelchair Society (sic)."

Mr. Thomas H. Thomson is a relation with the Department of the Provincial Secretary.

"'I do not recommend this application'.

"The matter was reviewed by the "Hon. Mackinnon Phillips and in the "exercise of his discretion Letters "Patent were issued.

"No adverse report has been "received by the Department with "respect to this corporation from "the police or any one else."

Then on the left hand side of page 71 Mr. Wintermeyer states:

"Mr. Speaker, the hon. Attorney "General in his statement said it "was the policy of the government as "well as a requirement of law to "limit the location of the activities "of a social club to a particular "street address named in the Letters "Patent. A change of address was "to take place only after written "permission for the change had been "secured from the hon. Provincial "Secretary. I want to cite several "instances in which this policy was "not pursued and in which the law "was contravened."

And the comment of the Department on the right is as follows:

"From the examples cited by "Mr. Wintermeyer, which will be

"I do not recommend this application".

"The matter was reviewed by the
"Hon. Meighen Phillips and in the
"exercise of his discretion letters
"patent were issued.

"No adverse report has been
"received by the Department with
"respect to this company from
"the police or any one else."

Then on the left hand side of page 71
Mr. Silverstone states:

"Mr. Speaker, the Hon. Attorney
"General in his statement said it
"was the policy of the government as
"well as a requirement of law to
"limit the location of the activities
"of a social club to a particular
"street address named in the Letters
"Patent. A change of address was
"to take place only after written
"permission for a change had been
"secured from the Hon. Provincial
"Secretary. I want to cite several
"instances in which this policy was
"not pursued and in which the law
"was disregarded."

And the comment of the Department on this
right is as follows:

"From the examples cited by
"Mr. Silverstone, which will be

"discussed hereafter, the Department
"suggests that he is again, as he did
"in reference to the Divion Club and
"the Frontier Veterans Association,
"both dealt with supra, repeatedly
"confusing the distinction in law
"between the location of the head
"office of a club and the location
"of its premises . . . . "

---(Page 72)

" . . . . Needless to say, even if the
"statements by Mr. Wintermeyer were
"as stated, which to the knowledge of
"the Department they are not, it
"would not mean that the 'policy was
"not pursued' by the Department, but that
"rather 'the law was contravened' by
"the corporation and the consequences
"of such contravention would fall
"upon the corporation, as they did
"in the one instance."

Now, just reviewing mentally the facts, on page 71 he says:

"I want to cite several instances
"in which this policy was not pursued
"and in which the law was contravened."

And at page 72 he states:

"The Chipper Sales & Advertising Club
"was restricted by its Letters Patent

"Learned Counsel, the Department
"suggests that he is again, as he did
"in reference to the Dixton Club and
"the Bonanza Gambling Establishment,
"with-drawn with empty hypocrisy
"contending the distinction in law
"between the location of the head
"office of a club and the location
"of its premises . . . . "

---(Page 72)

" . . . . Needless to say, even if the
"Department of Mr. Hydrocarbon were
"as stated, with to the knowledge of
"the Department they are not, it
"would not mean that the 'policy was
"not pursued' by the Department, but that
"rather 'the law was contravened' by
"the corporation and the congregation
"upon the corporation, as they did
"in the one instance."

Now, just reviewing mentally the facts,
on page 71 he says:

"I want to cite several instances
"in which this policy was not pursued .
"and in which the law was contravened."

And at page 72 he states:

"The Oilpower Gasoline & Advertising Co.
"was penetrated by its Eastern Patron.

"to No. 1 Howard Park Avenue . . . .
"an exchange listing that was dis-
"continued several years ago."

On the right hand side, the comment of the Department:

"Chipper Sales & Advertising Club."

You will recall, Mr. Commissioner, this club was discussed supra.

"At the request of the
"applicants, the Letters Patent
"limited the activities of the
"corporation to No. 1 Howard Park
"Avenue, Toronto. . . . .

"Mr. Wintermeyer states that
"Mr. Price wrote the Provincial
"Secretary on January 11th, 1961,
"'that the club was not active';
"corporations retain their corporate
"personality even though they are
"not active, i.e., stop doing
"business. The particular letter
"states in part as follows . . . . "

and I am quoting now the letter:

"'You will note that the
"corporation is not actively carrying
"on business but it is hoped that . . . . "

---(Page 73)

" . . . . the club will be organized
"and activated in the future when the

"No. 10, J. Howard Park Avenue . . . .

"Continues Service Every Day."

On the right hand side, the comments of the Department:

"Company Claims to Advertising Club. You will recall, Mr. Commissioner, this club was licensed supra.

"At the request of the "Secretary, Mr. Arthur Jones, "limited the activities of the "corporation to No. 1 Howard Park "Avenue, Toronto. . . . . .

"Mr. Hillsmeyer states that "Mr. Arthur Jones is deceased.

"Secretary on January 11th, 1921, "that the club was not active!

"Corporations retain their corporate "personality even though they are "not active, i.e., have ceased "business. The particular letter "states in part as follows . . . . "

and I am quoting now the letter:

"'You will note that the "corporation is not actively carrying "on business but it is hoped that . . . .

—(Page 72)

". . . . the club will be organized "and activated in the future when the

"industry at large is ready for it.'

"Mr. Wintermeyer states that

"'Mr. Price's name can be found in the

"membership list of the Centre Road

"Veterans Club'. . . . .

"The following listings appear

"on page 586 of the yellow pages of

"the May, 1961, Toronto telephone

"directory --- "

and then there are other listings, and I won't read them. It indicates thetype of section. There is a heading, "Price Joseph Sales Limited . . . 1 Howard Park". Then I continue:

"If the corporation is on the

"'suspect list' --- "

and I am quoting Mr. Wintermeyer:

"'suspect list as a gambling club', the

"Metropolitan Toronto Police have

"never advised the Department of this.

"The Department is advised that as

"of the 19th of March, 1962, No. 1

"Howard Park Avenue was a brick

"building, one storey at the front,

"two storeys at the rear. On the

"northerly wall of the two-storey

"portion is a large sign advertising

"potato chips and at thebottom

"'Chippers Sales & Advertising Club'.

"There is a similarly worded large

"sign on the roof. The Department

"Industry at large is ready for it.'

Mr. Winkemeyer states that

"'Mr. Price's name can be found in the
"membership list of the Centre Road
"Improvement Club'. . . . .

"The Publication statement appears
"on page 246 of the yellow pages of
"the May, 1924, Toronto telephone
"directory ---"

and then there are other listings, and I won't read them. It indicates the type of people. There is a heading, "Price Joseph Salon Limited . . . 1 Howard Park". Then I continue:

"'nameset list' ---"

and I am quoting Mr. Winkemeyer:

"'nameset list as a gambling club', the
"Commissioner Toronto Police Force
"never advised the Department of this.
"The Department is advised that as
"of the 15th of March, 1922, No. 1
"Howard Park Avenue was a brick
"building, one storey at the front,
"two storeys at the rear. On the
"northerly wall of the two-storey
"portion is a large sign advertising
"potato chips and at the bottom
"'Chippers Sales & Investment Club'.
"There is a similarly worded large
"sign on the roof. The Department

"asks, even if it is arguable --- "

And I agreed with you, Mr. Commissioner, on this point:

" --- that the corporation is a social "club, where is the change of the "location of activities to substantiate "Mr. Wintermeyer's statement that the "'policy was not pursued' and the "'law was contravened'.

"Mr. Wintermeyer is incorrect."

And then he says:

"I want to cite several instances "in which this policy was not pursued "and in which the law was contravened."

On page 71, and on page 74 he continues:

"The Showemen's League of America, "incorporated on August 6, 1959, by "Toronto barrister, Louis Herman without a "prior police investigation . . . . "also suspected by the Metropolitan "Toronto Police as a gaming house."

The comment of the Department is as follows:

"Showmen's League of America, "Ontario Chapter.

"This club was discussed supra. "The head office is by the Letters "Patent to be in the City of Toronto . . . .

"If the corporation is --- "

quoting Mr. Wintermeyer's words:

"ness, even if it is argumentative ---"

Art I states with regard to Brownlee's contention:

"--- that the corporation is a social club, where is the change of the location of activities to substantially Mr. Winterbeyer's assurance that the "'policy was not pursued' and the "'law was violated'.

"Mr. Winterbeyer is interested."

And then he says:

"It must be also several instances "in which this policy was not pursued "and in which the law was contravened."

on page 71, and on page 74 he continued:

"The Brownson's League of America, "incorporated on August 6, 1929, by "Toronto burglar alarm men without a "prior police investigation . . . "also approved by the Metropolitan "Toronto Police as a gaming house."

The comment of the Department is as follows:

"Brownson's Leagues of America, "Limited Charter.

"This club was chartered supra. "The head office is by the letters "recent to be in the city of Toronto . . . .

"If the corporation is ---"

quoting Mr. Winterbeyer's words:

"'suspected by the Metropolitan Toronto
"Police as a gaming house', they have
"never advised the Department of this."
Then he raises an example, andhe had
said on page 71:
"I want to cite several instances
"in which this policy was not pursued
"and in which the law was contravened."
And on page 74 on the left hand side:
"The Frontier Club, Niagara
"Falls, was restricted by its charter
"at 1292 Ferry Street, Niagara Falls.
"In recent returns its address is
"given as 1528 Louis Avenue. No
"consent for a change of address
"appears to have been obtained from
"the hon. Provincial Secretary."
The comment of the Department is as
follows:
"Italian Niagara Frontier Club.
"Incorporated under The Ontario
"Companies Act by Letters Patent
"dated December 6, 1949 . . . . "

---(Page 75)

"Again Mr. Wintermeyer is
"incorrect in stating that the 'policy
"was not pursued' (indeed it was
"'pursued' three times), and to ~~xxx~~
"date the Department has not received

"supported by the Metropolitan Police o
"Police as a 'mating house', they have
"been evidence for Commodore Jim."
Then he raises an example, which has
said on page 41:

"I work to cite several instances
"Without this political [illegible]
"and in which the law was contravened."

and on page 74 on the left-hand side:

"Paris, was represented by its chapter
"at Saint Denis Street, Sidney Mills.
"In recent returns the address is
"[illegible] Denis Street.
"comment for a change of address
"appears to have been obtained from
"the hon. Provincial Secretary."
The comment of the Department is as
follows:

"Michael Barry [illegible]
"[illegible] value for [illegible]
"Companies lot by letters Patent
"[illegible] . . . . ."

---(Page 75)

"Again Mr. Whatmough is
"concerned in stating that the 'potato
"was not pursued' (indeed it was
"'pursued' three times), and to ask
"does the Department has not received

"any evidence that the 'law was contra-
"vened' by any one in this regard."

C/2 Then still carrying on from page 71:

"I want to cite several instances
"in which this policy was not pursued
"and in which the law was contravened."

I turn to page 75 in which he continues:

"The New Canadian Social Club,
"Toronto, obtained Letters Patent on
"June 15th, 1955, and its premises
"were stated to be 360 to 362 Queen
"Street East . . . . The police
"filed a report disapproving of the
"club. Before the hon. Provincial
"Secretary could act the police
"closed the club down with a raid
"on December 28th, 1960."

And the comment of the Department is as follows:

"New Canadian Social Club.

"Incorporated under The Ontario
"Companies Act by Letters Patent dated
"June 15th, 1945. Mr. Wintermeyer is
"incorrect in his date of 1955."

I bring to your attention that the 1945 and not 1955 does have a bearing in view of the policy.

"By its Letters Patent its
"activities were limited to the City
"of Toronto.

"At the time of incorporation,

"any evidence that the law was contra-
"vened by any one in this regard."

Then still carrying on from page 71:

"I want to cite several instances
"in which this policy was not pursued
"and in which the law was contravened."

I turn to page 75 in which he continues:

"The New Canadian Social Club,
"Toronto, applied Liquor Permit ...
"June 15th, 1955, and its premises
"were stated to be 300 to 302 Queen
"Street East . . . . The police
"filed a report disapproving of the
"club. Before the Det. Provincial
"Secretary could act the police
"closed the club down with a raid
"on December 21st, 1954."

And the comment of the Department is as follows:

"New Canadian Social Club.

"Incorporated under the Ontario
"Companies Act by Letters Patent dated
"June 15th, 1945. Mr. Wintermeyer is
"incorrect in his date of 1955."

I bring to your attention that the 1945
and not 1955 does have a bearing in view of
the policy.

"By its Letters Patent its
"activities were limited to the City
"of Toronto.

"At the time of its organization,

"the club it appears was in occupation
"of 360-362 Queen Street East . . . . "

---(Page 76)

---(Page 77)

" . . . . When 'the law was contravened'
"by the corporation, proceedings were
"instituted and it suffered the
"consequences,namely cancellation."

Then I revert back to page 71, Mr. Commissioner:

"I want to cite several instances
"in which this policy was not pursued
"and in which the law was contravened."

And at page 77 on the left hand side Mr. Wintermeyer stated:

"The Somerset Club moved to
"4140 Bathurst Street, North York,
"in 1959. . . . .

"Despite these three objections
"no steps were apparently taken by
"the hon. Provincial Secretary to
"enforce the prohibition against
"the club's change of address without
"permission."

The comment of the Department is as follows:

"Somerset Club.

"Incorporated under The Ontario
"Companies Act by Letters Patent dated

"The club it appears was in occupation
"of two-fifs Queen Street East . . . .

---(Page 76)

---(Page 77)

" . . . . When 'the law was contravened'
"by the corporation, proceedings were
"instituted and it suffered the
"consequentially, merit exemption."

Then I revert back to page 76, Mr. Commissioner:

"I want to cite several instances
"in which the policy was not pursued
"and in which the law was contravened."

And at page 77 on the left hand side Mr. Commissioner stated:

"The Somerset Club moved to
"2444 Bellevue Street, Point Tove,
"in 1959. . . . .

"Twelve years later, in 1971,
"no steps were apparently taken by
"the Ins. Provincial Secretary to
"assess the possibility regarding
"the club's change of address without
"permission."

The comment of the Department is as follows:

"Somerset Club.

"Incorporated under The Ontario
"Companies Act by Letters Patent dated

"January 22nd, 1936. . . . .

"The amendment to The Corporation "Act requiring the consent of the "Provincial Secretary to a change of "premises did not come into force "until April 12th, 1960, so that the "change in 1959 did not require the "prior consent of the Provincial "Secretary."

THE COMMISSIONER: Is 431 Spadina Avenue not in the City of Toronto?

A. Yes, it is. The locations were limited to the County of York.

Q. I am referring to:

"On the assumption that this change "of head office also was a change "of location of premises from one "address to another, the Department "points out that the change of "premises to the new address was "still in the County of York --- "

A. The word "still" is to indicate that 431 Spadina Avenue is in the County of York and 4140 Bathurst is still in the County of York. The word "still" is that the change is not out of the County of York.

Q. That is what I was asking you. Is not 431 Spadina Avenue in the City of Toronto?

A. Yes, it is.

"January 22nd, 1925. . . . . .

"The amendment to The Corporation
"Act requiring the consent of the
"Provincial Secretary to a change of
"premises did not come into force
"until April 15th, 1925, so that the
"change in question did not require the
"prior consent of the Provincial
"Secretary."

THE COMMISSIONER: Is 431 Spadina Avenue not in the City of Toronto?

A. Yes, it is. The locations were limited to the County of York.

Q. [illegible]

"or head office also was a change
"of location of premises from one
"address to another, the Department
"points out that the change of
"premises to the new address was
"still in the County of York --- "

A. The word "still" is to indicate that 431 Spadina Avenue is in the County of York and 4140 Bathurst is still in the County of York. The word "still" is that the change is not out of the County of York.

Q. That is what I was asking you. Is not 431 Spadina Avenue in the City of Toronto?

A. Yes, it is.

Q. So you felt the City of Toronto is in the County of York?

A. And is the physical boundaries. Here we are assuming that this was a change of address, which I believe it is, but it was considered limited to the County of York.

"The letter of the Department which "Mr. Wintermeyer words 'advising the "club that such a move had to be "approved by a vote of the membership "because the new location was outside "the limits of the City of Toronto' "was dated April 25th, 1960, and "was in fact as follows:

"'The 1960 annual return indicates "that the head office is situate at "4140 Bathurst Street in the Township "of North York whereas our records "disclose that the location of the "head office is authorized to be "situate at the City of Toronto.

"It would appear that a special "resolution is required to change "the location of the head office "to the Township of North York or if "preferred to the Municipality of "Metropolitan Toronto.'"

I reviewed for you earlier, Mr. Commissioner, that within a municipality a corporation can change its head office by a mere resolution of

Q. So you felt the City of Toronto is in the County of York?

A. And is the physical boundaries, here we are amending that this was a change of address, which I believe it is, but it was considered limited to the County of York.

"The letter of the Department which "Mr. Winnemayer works 'advising the "claim that such a move had to be "approved by a vote of the members, "because the new location was outside "the limits of the City of Toronto'

"The 1900 annual return indicates "that the head office is situate at "of North York whereas our records "disclose that the location of the "head office is authorized to be "situate at the City of Toronto.

"It would appear that a special "resolution is required to change "the location of the head office "to the Township of York or it "preferred to the Municipality of

I received for your earlier, Mr. Commissioner, that within a municipality a corporation can change its head office by a mere resolution of

directors. If they want to change the head office from one municipality to another municipality, in this case from the City of Toronto to the Township of North York, then they have to have a special resolution which has to be confirmed by, I think it is, two-thirds of the membership.

There is a difference in procedure in changing the head office from one municipality to another. Now, the City of Toronto is a municipality; the township of North York is a municipality. So to change from one municipality to another municipality you had to have a special resolution confirmed by the members, which I also believe has to be published in the Ontario Gazette, but the activities are limited to the County of York which is not a municipality.

"On May 18th, 1960, the club "passed the necessary special "resolution and filed notice thereof "with the Department.

"The club applied to the "Department --- "

THE COMMISSIONER: Excuse me. Supposing the activities of a club were confined to the Province of Ontario, then what?

A. They could go anywhere in the Province of Ontario as the ----

Q. You would not be able to keep very

directors. If they want to change the head office from one municipality to another municipality, in this case from the City of Toronto to the Township of North York, then they have to have a special resolution which has to be confirmed by, I think it is, two-thirds of the membership.

There is a difference in procedure in changing the head office from one municipality to another. Now, the City of Toronto is a municipality; the township of North York is a municipality. So to change from one municipality to another municipality you had to have a special resolution confirmed by the members, which I also believe has to be published in the Ontario Gazette, but the activities are limited to the County of York which is not a municipality.

"On May 16th, 1960, the club

"passed the necessary special

"resolution and filed notice thereof

"with the Department.

"The club applied to the

"Department ---"

THE COMMISSIONER: Assume me. Suppose the activities of a club were confined to the province of Ontario, then where

A. They could go anywhere in the province of Ontario as the ----

Q. You would not be able to keep very

good track of them, would you?

A. No, but if you will look at the history of the development of the procedures, starting in 1946 and even earlier, they were limited to an area, and then subsequent to that in 1950 they were limited to a particular address in the letters patent. Then they could not move even next door if there was a restriction to a particular address in the letters patent, without getting supplementary letters patent changing that restriction.

Then, of course, in April, 1960, the law became that whether the restriction was in or not, in the letters patent, they could not move from one address to another without getting prior consent.

That was where the New Canadian Social Club did change. They changed from 364 Queen Street East to 372 Queen Street East, and that change brought about the cancellation of letters patent.

"On May 18th, 1960, the club "passed the necessary special "resolution --- "

And this is in regard to the change of head office, which is required by The Corporations Act:

" --- and filed notice thereof --- "

As is required by The Corporations Act:

good grace of them, would you?

A. — No, but if you will look at the history of the development of the procedures, stretching in 1960 and even earlier, they were [illegible] to be done, and when [illegible] to what in 1960 they were limited to a particular address in the letters patent. Then they could not move even next door if there was a restriction to a particular address in the letters patent, without [illegible] restriction.

[illegible] I SAYS, IN SHORT, NOTHING [illegible] was in or not, in the letters patent, they could not move from one address to another without getting [illegible].

That was where the New Canadian Social Club old change. They changed from [illegible] Road, and that change brought about the cancellation of letters patent.

"On May 16th, 1960, the club passed the necessary special resolution --- "

And this is in regard to the change of head office, which is required by the Corporations Act:

" --- and filed notice thereof --- "

as is required by the Corporations Act:

" --- with the Department. The club
"applied to the Department on
"May 24th, 1960, for the consent of
"the Provincial Secretary to move
"its premises from 4140 Bathurst
"Street to 805 Wilson Avenue . . . . "

---(Page 78)

" . . . . The Director of Companies
"examined the records and came to
"the conclusion that there was
"nothing from these records produced
"to give the Department sufficient
"cause to cancel the Letters Patent
"on the basis that there had been a
"forfeiture of corporate powers.
"The Minister reviewed the
"reports --- "

That is myself, Mr. Commissioner.

" --- reviewed the reports in detail
"and came to the conclusion that
"there did not appear to be sufficient
"evidence to justify the institution
"of proceedings on any ground to
"cancel the Letters Patent. . . . .
" . . . . Again the
"statement of Mr. Wintermeyer that
"the 'policy was not pursued' and
"that 'the law was contravened' is
"incorrect."

" --- with the Department. The only
"Denied to the Department of
"the City, that the commerce
"the Territorial Governing to use
"the property from that authority
"Street to 805 Wilson Avenue . . . . "

---(Page 75)

" . . . . The Director of Companies
"examined the records and came to
"the conclusion that there was
"no evidence from these records produced
"to give the Department sufficient
"cause to cancel the Letters Patent
"on the basis that there had been a
"forfeiture of corporate powers.
"The Minister reviewed the
"records --- "

That is myself, Mr. Commissioner.

" --- reviewed the records in detail
"and came to the conclusion that
"there did not appear to be sufficient
"evidence to justify the institution
"of proceedings on any ground to
"cancel the Letters Patent. . . . .
". . . . . Again the
"statement of Mr. Winterbottom that
"the 'policy was not pursued' and
"that 'the law was contravened' is
"incorrect."

From page 71 again on the left:

"I want to cite several instances "in which this policy was not pursued --- "

I am going to read back a little and refer back to:

"A change of address was to take place "only after written permission for "the change had been secured from the "hon. Provincial Secretary. I want "to cite several instances in which "this policy was not pursued and in "which the law was contravened."

And I go over to page 78 where Mr. Wintermeyer continued:

"The Spadina Card & Social Club "is another case at point . . . . . "The club was convicted of being a "common gaming house in 1960 and "then the charter was cancelled."

And the comment of the Department is as follows:

"Spadina Social & Card Club.

"Incorporated under The Ontario "Companies Act by Letters Patent "dated April 21st, 1949.

"The objects were --- "

THE COMMISSIONER: You don't need to read those.

A. "By the Letters Patent the "activities were limited to 163½ "Spadina Avenue, Toronto. . . . . "

C/3

From page 71 again on the left:

"I want to cite several instances

"in which this policy was not pursued ---"

I am going to read back a little and refer back to:

"A change of address was to take place

"the change had been secured from the

"to cite several instances in which

"this policy was not pursued and in

"which the law was contravened."

And I go over to page 73 where Mr. Winkentmeyer continued:

"The Spadina Card & Social Club

"The club was convicted of being a

"common gaming house in 1900 and

And the comment of the Department is as follows:

"Spadina Social & Card Club.

"Incorporated under The Ontario

"Companies Act by Letters Patent

"dated April 1st, 1901.

"Was activity was ---"

THE COMMISSIONER: You don't need to read this.

A. "By the letters Patent the

"activities were limited to 1639

"Spadina Avenue, Toronto. . . . . "

---(Page 79)

" . . . . The application was refused
"and on a review thereof and in the
"exercise of his discretion the Hon.
"G.H. Dunbar issued Supplementary
"Letters Patent on December 19th,
"1957, permitting the corporation
"to move its premises."

I want to have it clear in your mind, Mr. Commissioner, that the application was refused and then subsequently ---

THE COMMISSIONER: That is all right.

A. "Again the statement that the
"'policy was not pursued' and that
"'the law was contravened' is
"incorrect.

"Subsequently, a notice of
"conviction was filed with the
"Department with respect to certain
"persons on the premises and sub-
"sequent to a hearing held in
"February 1960, the Letters Patent
"were cancelled on April 21st, 1960."

I go back to page 71 again on the left:

"I want to cite several instances
"in which this policy was not pursued
"and in which the law was contravened."

And then he went on to refer to the Sun Sun Social Club:

---(Page 70)

. . . . The qualification was waived
"and on a review thereof and in the
"exercise of its discretion the Sen.
"J.J. Dolan Local Superintendent
"Welfare Branch on October 1st,
"1937, permitting the corporation
"to move its premises."

I want to have it clear in your mind,
Mr. Commissioner, that the qualification was
waived and then subsequently ---

THE COMMISSIONER: That is all right.

A. "Again the assessment that the
"Manager was not personally also
"'the law was contravened' is
"incorrect.

"Consequently, a notice of
"conviction was filed with the
"Department with respect to certain
"persons on the premises and sub-
"sequently a meeting took place in
"Mercury Lyn, the Lessee stated
"were satisfied as Dept. was."

I go back to page 71 again on the left:

"I want to cite several instances
"In which this policy was not pursued
"and in which the law was contravened."

And then he went on to refer to the Sun Sun
Social Club:

"The Sun Sun Social Club, Toronto,
"wished to move from 92 Elizabeth Street
"to 121 Dundas West. On March 27, 1961,
"the Ontario Provincial Police reported
"adversely on the granting of
"Supplementary Letters Patent. The
"club apparently had the new address
"when the application was made, it
"still has 121 Dundas Street West,
"and it is suspected by the Metro
"Police to be a common gaming house."

And the comment of the Department is as follows:

"Sun Sun Social Club.

"Incorporated under The Ontario
"Companies Act by Letters Patent dated
"February 14th, 1949 . . . . "

---(Page 80)

" . . . . Because the premises at
"92 Elizabeth Street are not available
"to the Club, the refusal of the
"application rendered the Club in
"fact inoperative."

Then Mr. Wintermeyer continued, and it is difficult -- he does not make a break, he gets into a statement, Mr. Commissioner, as follows:

"A recent case is that of the
"25 Club, Port Credit, which applied

"The Sun Sun Social Club, Toronto,
"wished to move from 92 Elizabeth Street
"to 121 Dundas West. On March 27, 1921,
"the Toronto Provincial Police reported
"adversely on the granting of
"a supplementary licence. The
"club apparently had the new address
"when the application was made, it
"will be 121 Dundas Street West,
"and it is suspected by the Toronto
"Police to be a common gaming house."
And the comment of the Department is as
follows:

"Sun Sun Social Club.
"Incorporated under the provincial
"Companies Act by Letters Patent dated
"February 14th, 1919 . . . . "

---(Page 30)

" . . . Because the premises at
"92 Elizabeth Street are not available
"to the club, the refusal of the
"application rendered the club in
"fact inoperative."

Then Mr. Wintermeyer continued, and it is difficult -- he does not make a break, he goes into a statement, Mr. Commissioner, as follows:

"A recent case is that of the
"25 Club, Port Credit, which applied

"for a charter on September 20th, 1960."

Now, ordinarily reading the Hansard, it appears as if it were a continuation, but it appears to be a different approach.

"The application was submitted to the "Port Credit police --- "

And I am quoting him:

" --- the Ontario Provincial Police "and the Royal Canadian Mounted "Police . . . . .

" . . . . . Apparently the "Ontario Provincial Police report "was ignored as Letters Patent "were issued on March 28th, 1961, "with no mention of an address "for a club house and stipulating "that the head office had only "to be in Toronto Township."

The comment of the Department is as follows:

"The '25' Club.

"Incorporated under The Ontario "Corporations Act by Letters Patent "dated March 28th, 1961. . . . . "

---(Page 81)

" . . . . . On February 6 the "departmental solicitor wrote to the "Ontario Provincial Police a letter "in respect to this --- "

"For a charter on September 20th, 1920."

Now, ordinarily reading the document, it appears as if it were a continuation, but it appears to be a different appearance.

"The application was submitted to the "Port Credit police --- "

And I am quoting him:

"--- the Ontario Provincial Police "and the Royal Canadian Mounted "Police . . . . .

" . . . . . Apparently the "Ontario Provincial Police report "was ignored as letters patent "were issued on March 20th, 1921, "with no mention of an address "for a club house and explaining "that the head office had only "to be in Toronto Township."

The comment of the Department is as follows:

"The 'Zp' Club,

"Incorporated under The Ontario "Corporations Act by Letters Patent "dated March 20th, 1921. . . . . .

---(Page 21)

". . . . . On February 6 the "Departmental solicitor wrote to the "Ontario Provincial Police a letter "in respect to this --- "

That refers to this insertion of this provision.

THE COMMISSIONER: I know.

A. " --- stating, 'If you have no "further objections we will proceed "with the granting of the Letters "Patent', and the reply was received "dated February 7th . . . . . "

" . . . . . No adverse report "has been received by the Department "with respect to this corporation "from the police or any one else."

May I just pause here for a moment perhaps just to say to you, Mr. Commissioner, that I do not know how often we have done it, but my own recollection is that from time to time such a provision forbidding the corporation from maintaining club house premises as such has been inserted in the Letters Patent from time to time, and of course the contravention of that clause would be the contravention of a provision.

The other thing I just mention at this time, that when we deal with the incorporation, as we did, you will note by the statistics, of over 5,500 corporations of many characters, most of them commercial and industrial, we issue the letters patent, and whether they conduct their operations in contravention of zoning by-laws or where they carry on their operation, we do not police it. We

These refers to this insertion of this provision.

THE COMMISSIONER: I know.

A. . . " --- stating, 'If you have no

"patent', and the reply was received

"dated February 7th . . . . . "

". . . . . No adverse report

"has been received by the Department

"from the police or any one else."

May I just pause here for a moment perhaps just to say to you, Mr. Commissioner, that I do not know how often we have done it, but my own recollection is that from time to

paragraph as such has been inserted in the Letters Patent from time to time, and of course the contravention of that clause would be the contravention of a provision.

The other thing I just mention with time, that when we deal with the incorporation, as we did, you will note by the association of over 3,500 corporations of many characters, most of them commercial and industrial, we issue the Letters Patent, and whether they conduct their operations in contravention of the law or not, we do not police it. We

incorporate them and then they have to abide by the laws wherever they are going to conduct their business. I am just bringing that to your attention.

THE COMMISSIONER: I appreciate that.

A. Mr. Wintermeyer continued on page 81:

"Mr. Speaker, I could cite other "violations of the declared policy of "the government and of the law as it "relates to social clubs, but from "the ones I have cited several "conclusions are obvious."

And the comment of the Department is as follows:

"The Department submits that Mr. "Wintermeyer has, in his speech, shown "no violations of the declared policy "of the government in relation to the "policy of the Department with respect "to social clubs."

I remind you, Mr. Commissioner, at this point, that way back at page 71 he used the expression "in which the law was contravened".

"The Department submits that Mr. "Wintermeyer has, in his speech, shown "no violation of the declared policy "of the government in relation to the "policy of the Department with respect "to social clubs.

incorporate them and then they have to abide by the laws wherever they are going to conduct their business. I am just bringing that to your attention.

THE CHAIRMAN: I appreciate that.

A. Mr. Wintermeyer continued on page 21:

"Mr. Speaker, I could cite other "violations of the declared policy of "the government and of the law as it "relates to social clubs, but from "the ones I have cited several "[illegible] [illegible]."

And the comment of the Department is as follows:

"Wintermeyer has, in his speech, shown "no violations of the declared policy "of the government in relation to the "policy of the Department with respect "[illegible]."

I remind you, Mr. Commissioner, at this point, that way back at page 71 he used the expression "in which the law was contravened".

"The Department submits that Mr. "Wintermeyer has, in his speech, shown "no violation of the declared policy "of the government in relation to the "policy of the Department with respect "to social clubs.

"At the request of the Department "Commission counsel has produced the "list of 18 clubs submitted on behalf "of Mr. Wintermeyer --- "

I stop here for a moment, because Mr. Wintermeyer in his speech said:

"I could cite other violations."

I was in touch with Mr. Wilson and said, "Now, he says, 'I could cite other violations'. What are these other violations, in order that we may reply to them?" Mr. Wilson did produce a list.

MR. WILSON: I have that list, Mr. Commissioner, if you want a copy filed.

THE COMMISSIONER: Let me have it. I will just pin it in this brief. Have you got it loose?

MR. WILSON: I have it in brief form. I will have the original, and it was contained again in an encloser in Mr. MacKinnon's letter to me of March 12th, 1962.

THE WITNESS: We have, Mr. Commissioner, that list set out in an appendix which I will be coming to in a moment.

THE COMMISSIONER: Just tell me now what appendix is it?

A. I will just continue reading:

"At the request of the Department "Commission counsel has produced the "list of 18 clubs submitted on behalf

"At the request of the Department
Commissioner General has prepared the
"list of 18 clubs submitted on behalf
"of Mr. Winternmyer --- "

I stop here for a moment, because Mr.
Winternmyer in his speech said:

"I could cite other violations."

I was in touch with Mr. Wilson and said,
"Now, he says, 'I could cite other violations'.
What are these other violations, in order that
we may reply to them?" Mr. Wilson did
produce a list.

MR. WILSON: I have that list, Mr.
Commissioner, if you want a copy filed.

THE COMMISSIONER: Let me have it. I
will just pin it in this brief. Have you
got it loose?

MR. WILSON: I have it in brief form.
I will have the original, and it was contained
again in an enclosure in Mr. MacKinnon's letter
to me of March 15th, 1902.

THE WITNESS: Mr. Commissioner,
that list set out in an appendix which I will
be coming to in a moment.

THE COMMISSIONER: Just tell me now what
appendix is it?

A. I will just continue reading:

"At the request of the Department
"Commission counsel has produced the
"list of 18 clubs submitted on behalf

"of Mr. Wintermeyer headed, 'The following
"clubs have been issued Letters Patent
"or Supplementary Letters Patent by
"the Provincial Secretary despite
"adverse reports from the O.P.P.'
"which appears to contain a repetition
"of the allegations herein made and
"his only formal allegations of
"'other violations' and the same
"are dealt with in Appendix H where
"the nature of the report is dealt
"with."

And I ask you to turn to Appendix H, Mr. Commissioner.

Q. Yes.

A. Now, if I may just read the rest of the comment because I am going to be referring to the appendix in full, and you will find Mr. Wintermeyer's list set out on page 26. That is, we have not reproduced the list as such. We have reproduced the names which he has set out in the list, together with comments. Mr. Wilson has that in the form of a list as such.

MR. WILSON: Yes. Mr. Registrar, would you hand that to the Commissioner. It is the last document, enclosure, in that letter.

THE COMMISSIONER: They are set out on page 26, are they?

"of Mr. Wirsemeyer needed, 'The following "items have been issued letters patent "by Provincial Secretary despite "adverse reports from the O.P.P.' "which appears to contain a repetition "of the allegations herein made and "this only Penal Information and "'some statistics' at the end "are dealt with in Appendix H which "the nature of the report is dealt "with."

And I ask you to turn to Appendix H, Mr. Commissioner.

Q. Yes.

A. Now, if I may just read the rest of the comment because I am going to be referring to the appendix in full, and you will find Mr. Wirsemeyer's list set out on page 26. First is, we have not reproduced the list as such. We have reproduced the names which he has set out in the list, Reproduced this document. Mr. Wirsemeyer has sent in the form of a list as such.

Mr. COMMISSIONER: Yes. Mr. McIntyre, would you hand that to the Commissioner. It is the last document, evidence, in that series.

THE COMMISSIONER: They are set out on page 26, are they?

A. Yes.

Q. Of Appendix H?

A. The names.

Q. That will serve my purpose.

Well, it is 1.00 o'clock.

---Whereupon the hearing adjourned at 1.00 p.m. until 2.15 p.m.

(Page 9530 follows)

---On resuming at 2:25 o'clock, p.m.

JOHN YAREMKO, continues.

THE WITNESS: We were on page 81, Mr. Commissioner, and I had just referred to the list of 18 clubs, listed on page 26 of Appendix H. I should like to conclude the comment at this time, it continuing to read:

" It should be noted that 10 of "the clubs on the list are referred to "inthe speech and dealt with supra "and that in 5 of the particular 10 cases "the statement 'issued Letters Patent or "Supplementary Letters Patent by the "Provincial Secretary despite adverse "reports from the O.P.P.' is incorrect, "because as a matter of fact there were "none issued at all. Also the statement "'issued Letters Patent or Supplementary "Letters Patent by the Provincial Secretary "despite adverse reports from the O.P.P.' "is incorrect in respect of 2 of the "remaining 8 names on the list, for as "a matter of fact, there were none "issued at all.

" The incorrectness of the statement "by Mr. Wintermeyer in regard to this "matter in respect of the seven clubs,

JOHN WITMER, continues.

THE WITNESS: We were on page 81, Mr. Commissioner, and I had just referred to the list of 18 claims, listed on page 26 of Appendix H. I believe this is available for present at this time, it continuing to read:

" It should be noted that 10 of "the claims on the list are referred to "under queries and doubt etc. noted "and that in 5 of the particular 10 cases "the statement 'Issued Letters Patent or "Supplementary Letters Patent by the "Provisional Secretary Danjie Adjunct "requests from the O.P.A.' is incorrect, "because as a matter of fact there were "none issued at all. Also the statement "'Issued Failure Patent or Supplementary "Letters Patent or the Provisional Secretary "Danjie Adjunct requests from the O.P.A.' "is incorrect in respect of 2 of the "remaining 8 names on the list, for as "a matter of fact, there were none "issued at all.

" The incorrectness of the statement "by Mr. Whitemoyer in regard to this "matter is regard of the investigation.

"should be apparent from a search
"of the public files of the Department."
Now, Iwould ask you to turn to Appendix H.
On page 1 it is headed:
"APPLICATIONS GRANTED WHERE POLICE
"REPORTS WERE OTHER THAN COMPLETELY
"FAVOURABLE.
" An examination of the files of
"the Department to the best of the
"Department's ability to do so showed
"that between July 1st, 1950 and
"December 11th, 1951, there have been
"1219 applications for letters patent
"where the objects have been wholly
"or in part of a social nature in the
"light of the Department's interpretation.
"Of these, 984 were granted after
"referrals to the police where the
"reports were completely favourable.
"(Appendix F and Statistical Summary
"Supra) . . . " - Appendix F covers
981 of them and there are three beyond that -
" . . . and 123 were refused after
"referral to the police and relevant
"other Government departments and
"objection reported and 63 were
"refused because the application did
"not comply with the departmental
"policy extant at the time. (Appendix I).
" In addition to the above, there

"should be apparent from a search
"of the public files of the Department."
Now, I would ask you to turn to Appendix H.
on page 1 it is headed:

"[illegible]
"[illegible]
"[illegible]

" An examination of the files of
"the Department to the best of the
"Department's ability to do so showed
"that [illegible] 1st, 1948 and
"December 31st, 1951, there have been
"1811 applications for Indian status
"where the objects have been wholly
"or in part of a social nature in the
"light of the Department's interpretation.
"Of these, 984 were granted after
"referrals to the police where the
"records were negatively [illegible].
"(Appendix F and Statistical Summary
"Supra) . . . " - Appendix F covers
981 of them and there are three beyond that -
" . . . and 123 were refused after
"referral to the police and relevant
"other Government departments and
"objection reported and 93 were
"refused because the application did
"not comply with the departmental
"policy extant at the time. (Appendix I).
" In addition to the above, there

"have beenapplications for supplementary
"letters patent with respect to
"corporations having social objects where
"the letters patent were issued prior
"to 1950 of which there is no count.
" In each of the applications
"set out herein, . . ." - that is,
herein, within this appendix -
". . . the Minister of the day exercised
"his discretion to grant letters patent
"or supplementary letters patent,
"the decision being based on the grounds
"that the report did not disclose a
"legitimate objection. It will be
"noted from the instances listed that,
"in some, one of the two police reports
"is not unfavourable.
" For the Convenience of the Commissioner,
"there is set forth a resume of these
"files.
" Theapplications concerned are as
"follows:
"ALBICH GOLF ASSOCIATES LIMITED".

I should ask, Mr. Commissioner, that I should not read the solicitors or the objects, unless you so wish.

THE COMMISSIONER: Q. Let me understand: These were applications where applications were granted where the police reports were other than favourable?

A. That is right.

Q. In the case of the Albion Golf Associates Limited there is no adverse report received?

A. That is following the issuance.

Q. That is after it was issued?

A. Yes.

" The matter was referred to the "Ontario Provincial Police and to the "Clerk of the Township of Albion. The "Clerk of the Township of Albion had "no objection to the incorporation.

" The Ontario Provincial Police "report is dated the 16th day of March, "1961, and concludes with the following:

" 'I would not recommend that this " group obtain a charter because " they do not know why they should " have a charter, they do not know " who the officers will be in the " club, they are only going into the " golf club business as they have " nothing else to use the farm for " and seem to be under the impression " that a charter will save payment " of excess tax.'"

That is an example. We have accepted that as a report as other than completely favourable.

Q. All right.

A. "In the exercise of his discretion,

A. That is right.

Q. In the case of the Albion Golf Associates Limited there is no adverse report [illegible]

A. That is following the issuance.

Q. That is after it was issued?

A. Yes.

" The matter was referred to the "Ontario Provincial Police and to the "Clerk of the Township of Albion. The "Clerk of the Township of Albion had "no objection to the incorporation.

" The Ontario Provincial Police "report is dated the 16th day of March, "1921, and concludes with the following:

" 'I would not recommend that this "[illegible]

" they do not know why they should "have a charter, they do not know "who the officers will be in the "club, they are only going into the "golf club business as they have "nothing else to use the farm for "and seem to be under the impression "that a charter will save payment "of excess tax.'"

That is an example. We have accepted that as a report as other than completely favourable.

Q. All right.

A. In the exercise of his discretion,

"the Honourable John Yaremko issued
"Letters Patent dated the 24th day of
"May, 1961.
" No adverse report has been received
"by the Department . . . "
Q. We can go on to the next one.
A. The Algonquin Community Club:
" The application was referred to
"the Ontario Provincial Police and to
"the Clerk of the Township of Augusta. ....

"Upon receipt of this report the
"application was at first refused by the
"Department. The matter was reviewed
"by the Honourable John Yaremko and in
"the exercise of his discretion he
"issued Letters Patent on the 20th day
"of December, 1960."
The next one, Chau Luen Kon Sol Association:
" The application was referred to
"the Toronto and Provincial Police and
"the report of the Toronto Police is
"dated . . . "
Q. Excuse me, Mr. Yaremko. Not all these clubs were referred to by Mr. Wintermeyer?
A. No.
Q. As you come to them would you indicate?
A. Yes, and you can tick it off on page 26.

"Letters Patent dated the 20th day of
"May, 1911.

" No adverse report has been received
"by the Department . . . "

Q. We can go on to the next one.

A. The Alexander Commander Claim:

" The application was referred to
"the Ontario Provincial Police and to
"the Clerk of the Township of Armenia. ....

"Upon receipt of this report the
"application was at first refused by the
"Department. The matter was reviewed
"by the Honourable John Varcoe and in
"the exercise of his discretion he
"issued Letters Patent on the 20th day
"of December, 1910."

Now mark now, Sir, that the 3rd Paragraph:

" The application was referred to
"the Ontario Provincial Police and
"the report of the Toronto Police is
"stated . . . "

Q. Excuse me, Mr. Varcoe. Not all
these claims were referred to by Mr. Whitesmyer?

A. No.

Q. As you come to them would you
[illegible]

A. Yes, and you can take it off on
[illegible]

Q. I will do it on the page itself. The Algonquin was one?

A. Yes.

Q. Thank you.

A. Chau Luen Kon Sol Association:

" The application was referred to "the Toronto and Provincial Police and "the report of the Toronto Police is "dated December 21st, 1953. . . .

" In the exercise of his discretion, "the Hon.G.Arthur Welsh granted Letters "Patent dated April 29th, 1954."

No adverse report.

Q. Was that one referred to by Mr. Wintermeyer?

AA/2 A. No.

Q. The only one referred to by him so far was the Algonquin?

A. Yes.

The Club Macedonia is also not referred to in his list.

" The file discloses that there had "been a conviction for keeping a common "gaming house against a company known "as the 'Macedonia Amusement Company "Limited' and, after being notified "of a conviction by the police, the "Letters Patent were cancelled. . . .

Q. I will do it on the page itself.

Q. Yes.

Q. Thank you.

A. Gnaw Lion Kon Sol Association:

" The application was referred to

"the Toronto and Provincial Politics

"the report of the Toronto Police is

"[illegible] 1920. . . .

In his counsel of his statement,

"the Hon.G.Arthur Nelan granted letters

"patent April [illegible], 1924."

in evidence report.

Q. Was that one referred to by Mr.

Whitemoyer?

A. No.

Q. The only one referred to by him as far

was the Algonquin?

A. Yes.

The Club Macedonia is also not

referred to in his list.

" The file discloses that there had

"been a conviction for keeping a common

"gaming house against a company known

"as the 'Macedonian Amusement Company

"Limited' and, after being notified

"of a conviction by the police, the

"Licence Board were consulted. . . .

1 " Subsequently the Metropolitan
2 "Toronto Police advised the Department
3 "that the club wascharging a fee of
4 "ten cents an hour or fifty cents per
5 "day notwithstanding the provision in
6 "the Letters Patent with respect to
7 "section 168, subsection 2(a) of the
8 "Criminal Code and requested that the
9 "Letters Patent be cancelled. A
10 "hearing was held. On December 6th,
11 "1961, an order was made cancelling the
12 "letters patent for cause."
13 "Dart Coon Club of Toronto, not mentioned
14 "in the list.
15 " The applicants were referred to the
16 "Ontario Provincial Police and the Toronto
17 "Police." . . . .
18
19 ———————
20 "No adverse report has been received
21 "by the Department with respect tothis
22 "corporation from the police or anyone
23 "else."
24 Essex-Kent Boys Golf Association, not on
25 the list.
26 " The application replaced an earlier
27 "application made in 1950, which was
28 "withdrawn."
29 This being in 1957.
30 " The application was referred to the

"Accordingly the Commissioner
"Toronto Police advised the Department
"that the club was charging a fee of
"ten cents an hour or fifty cents per
"day notwithstanding the provision in
"the Letters Patent with respect to
"section 16d, subsection 2(a) of the
"Criminal Code and recommend that the
"Letters Patent be cancelled.
"Hearing was held, on December 6th,
"1961, an order was made cancelling the
"Letters Patent of the Club.
"Park Coon Club of Toronto, not mentioned
"in the list.
" The applicants were referred to the
"Ontario Provincial Police and the Toronto
"Police. . . . .

"No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

Beach-Kent Boys Golf Association, not on
the List.

" The application reviewed an earlier
"application made in 1960, which was
"withdrawn."

Data going in 1957.

" The application was referred to the

"Ontario Provincial Police and to the
"Windsor Police.
" The Ontario Provincial Police
"report is dated April 29th, 1957, and
"indicated that the applicants had been
"running golf tournaments for boys for
"some years, and concludes with the
"following comment:
" 'As the result of my investigation
"and referring to the information obtained
"from (a named person) . . . "
I may say, Mr. Commissioner, in the initial drafts of these briefs, we were not naming these people, we were trying to give the facts without their names.
They are available in the files.
Q. That is suitable for my purposes.
A. " . . . who had stated that
"similar tournaments had been held
"yearly for the past 28 years, I feel
"that if these yearly functions have
"taken place for such a number of
"years, successful years, that a charter
"at this time would not be necessary.
"Therefore, I recommend that this
"charter not be granted." . . .

" No adverse report has been
"received by the Department with respect

"Ontario Provincial Police and to the
"Toronto Police.

"The Search-Criminal Police
"report is dated April 23th, 1957, and
"indicated that the applicants had been
"running golf tournaments for boys for
"some years, and concludes with the
"following comment:

" 'As the result of my investigation
"and referring to the information obtained
"from (a named person) . . . "

I may say, Mr. Commissioner, in the
initial instinct these briefs, we were not
naming these people, we were trying to give the
jury without their names.

They are available in the files.

Q. That is suitable for my purposes.

A. " . . . who had stated that
"similar tournaments had been held
"yearly for the past 22 years, I find
"that it seems very improbable that
"taken place for such a number of
"years, successful years, that a character
"at this time would not be necessary.
"Therefore, I recommend that this
"character not be granted. . . .

" . . No adverse report has been
"received by the Department with respects

"tothis corporation from the police
"or anyone else."
The Fleur de Lys Club,also not on the list.
" The application was referred to
"the Toronto Police and the Ontario
"Provinsial Police. . . . . .

" No adverse report has been
"received by the Department with
"respect to this corporation from the
"police or anyone else."
The Independant Order of Goats, also not on the list.
" The application was originally
"received on January 7th, 1955, and
"was refused on the grounds that the
"Club did not intend to hold real
"estate."
"

"Later, on March 23rd, 1955, it was
"reconsidered and referred to the Windsor
"Police."
"

" The report of the Windsor Police,
"dated April 19th, 1955, indicated
"that the applicants were favourably
"known in Windsor, but concluded as
"follows:

"Order requested from the police
"in report dated.

The Place de Ips Dimanche and on the
list.

" The application was endorsed by
"the Toronto Police and the Inspector
"Provincial Police. . . . . "

" An already report has been
"received by the Department with
"respect to this organization from the
"police in Windsor."

The independant order of Goats, also not
on the list.

" The application was originally
"received on January 7th, 1920, and
"was refused on the grounds that the
"Club did not intend to hold real
"estate."

"

"Later, on March 23rd, 1925, it was
"reconsidered and referred to the Windsor
"Police.

" The report of the Windsor Police,
"dated April 13th, 1925, indicated
"that the applicants were favourably
"known in Windsor, but concluded as
"follows:

1 " 'At this time it is felt that
2 " such incorporation would not serve
3 " any useful purpose and there is no
4 " apparent reason why any service
5 " work they have carried on could
6 " not be continued.'
7 " In the exercise of his discretion,
8 "the Hon.W.M.Nickle granted the Letters
9 "Patent dated the 22nd of February, 1955.
10 " No adverse report has been
11 "received by the Department with respect
12 "to this corporation from the police
13 "or anyone else."
14 Kratero Benevolent Association, not
15 on the list.
16 " An application had been made
17 "dated February 19th, 1960, which had
18 "been referred to the Ontario Provincial
19 "Police, the Royal Canadian Mounted Police
20 "and the Metropolitan Toronto Police."
21 "
22 " The Royal Canadian Mounted Police
23 "raised no objection and the Ontario
24 "Provincial Police report, dated March 7th,
25 "1960, concluded:
26 " 'As a result of this investigation,
27 " I can find no reason why the
28 " application for incorporation of
29 " the Kratero Benevolent Association
30 " should not be granted.'

"At this time it is felt that
"such incorporation would not serve
"any useful purpose and there is no
"apparent reason why the service
"work they have carried on could
"not be continued."

"In the exercise of his discretion,
"the Hon.W.M.Nickle granted the Letters
"Patent dated the 22nd of February, 1922.

"No adverse report has been
"received by the Department with respect
"to this incorporation from the police
"in question also."

Colonel Commissioner Macpherson, one
of the ADC.

"An application had been made
"on the February 13th, 1924, which has
"been referred to the Ontario Provincial
"Police, the Royal Canadian Mounted Police
"and the Commissioner Toronto Police."

"The Royal Canadian Mounted Police
"raised no objection and the Ontario
"Provincial Police report, dated June 7th,
"1924, contained:

"As a result of this investigation,
"I can find no reason why the
"application for incorporation of
"the Canadian Commercial Investigation
"should not be granted."

" The Toronto Police report was
"dated June 3rd, 1960, and after
"referring to a conviction of one member
"for a breach of the Excise Act and the
"zoning regulations of the area proposed
"concluded:
" 'The applicants appear to have no
" definite purpose in mind in regards
" to the use of a charter. I am,
" therefore, opposed to the
" incorporation of this Association.'
" The application was refused by the
"Department.
" A further application for Letters
"Patent was dated the 22nd day of March,
"1961."
And I should just like to touch on those
briefly, Mr. Commissioner.
" The objects are (a) To promote
"the interest of the community whose
"members' racial origin is from the Town
"of Kratero, Greece, and to preserve and
"perpetuate the associations and traditions
"of the said Town of Kratero; . . . "
And, then, at the end:
"PROVIDED, however, that the corporation
"shall not maintain a club house or
"similar premises other than at 115 Bond
"Street, in the City of Toronto.

AA/3

" This was again referred to the "Ontario Provincial Police and the Toronto "Police. . . . . .

"

"No adverse report has been received "by the Department with respect to this "Corporation from the police or anyone "else."

If I may say, for a moment, Mr. Commissioner, there is quite a custom and tradition in people from Europe to form these associations based on the town of origin. It seems to be common with many of the European countries and we receive in the Department quite often such applications where people in Canada coming from the same community of the old country wish to form an association and become incorporated.

The next one, Lebanese Canadian Club, not on the list.

" The application was referred to "the Ontario Provincial Police and to "the Windsor Police. . . . .

"

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone else."

Le Cercle Canadien Francais de Toronto.

This is on Mr. Wintermeyer's list. It is shown on page 27.

" It was referred to the Ontario

" This was again referred to the
"Ontario Provincial Police and the Toronto
"Police.

"

"No adverse report has been received
"by the Department with respect to this
"Corporation from the police or anyone
"else."

If I may say, for a moment, Mr. Commissioner, there is quite a custom and tradition in people from Europe to form these associations based on the town of origin. It seems to be common with many of the European countries and we receive in the Department quite often such applications where people in Canada coming from the same community of the old country wish to form an association and become incorporated.

The next one, Lebanese Canadian Club, not on the list.

" The application was referred to
"the Ontario Provincial Police and to
"the Windsor Police.

"

" No adverse report has been received
"by the Department with respect to this
"Corporation from the police or anyone else.
Le Cercle Canadien Français de Toronto.
This is on Mr. Mutsemayer's list. It is
shown on page 87.

" It was referred to the Ontario

"Provincial Police . . . "

If I may:

" The objects are at 386 Ontario "Street, in the City of Toronto and not "elsewhere, " - to do certain things.

" It was referred to the Ontario "Provincial Police and the Toronto "Police . . . "

"No adverse report has been received by "the Department with respect to this "corporation from the police or anyone else."

The Maltese-Canadian Society of Windsor, not on the list.

" The application was referred to "the Royal Canadian Mounted Police, Ontario "Provincial Police and Windsor Police. "The Royal Canadian Mounted Police had "no objection. . . .

"

"No adverse report has been received by "the Department with respect to this "corporation from the police or anyone "else."

Park Towers Club.

" The application was referred to "the London Police and the Ontario Provincial "Police.

" The London Police report is dated "June 12th, 1961, and indicated that the

"Provincial Police . . . "

If I may:

" The objects are at 345 Ontario "Street, in the City of Toronto and not "elsewhere, " - to do certain things.

" It was referred to the Ontario "Provincial Police and Toronto "Police . . . .

"No adverse report has been received by "the Department with respect to this "corporation from the police or anyone "else."

The Mutuo-Benefit Society of Windsor, "Ontario.

" The application was referred to "the Royal Canadian Mounted Police, Ontario "Provincial Police and Windsor Police. "The Royal Canadian Mounted Police had "no objection. . . .

"

"No adverse report has been received by "the Department with respect to this "corporation from the police or anyone "else."

Port Dover Tent.

" The application was referred to "the London Police and the Ontario Provincial "Police.

" The London Police report is dated "June 12th, 1901, and indicated that the

"Chief of Police knows of no reason
"why the application should not receive
"favourable consideration.
" The Ontario Provincial Police
"report is dated June 19th, 1961, and
"concludes as follows:
" 'The usual incorporation investigation
" is as a rule from some organization,
" such as a football, sports car, or
" boat club etc., but in this instance
" it is a group of people who I feel
" are out for personal gain. In my
" opinion, this incorporation will be
" used only to assist in obtaining
" a liquor license.'
" In the exercise of his discretion,
"the Hon. John Yaremko issued Letters
"Patent on the 20th day of June, 1961.
" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone else."
Peaceful Pacers Incorporated is shown on
the list and is referred to on page 27.
" The application was referred to the
"Ontario Provincial Police and the Clerk
"of the Municipality of Kingston,
"Cataraqui, as well as other departments
"of government.
" The Ontario Provincial Police report
"is dated July 5th, 1960, and does not make

"Chief of Police knows of no reason
"why the application should not receive
"favourable consideration.

" The Ontario Provincial Police
"report is dated June 19th, 1951, and
"concludes as follows:

" 'The usual incorporation investigation
" is as a rule from some organization,
" such as a football, sports car, or
" boat club etc., but in this instance
" it is a group of people who I feel
" are out for personal gain. In my
" opinion, this incorporation will be
" used only to assist in obtaining
" a liquor licence.'

" In the exercise of his discretion,
"the Hon. Dean Porter issued Letters
"Patent on the 20th day of June, 1951.

" No adverse report has been received
"by the Department with respect to this
"application from the police or crown officers."

Peaceful Pacers Incorporated is shown on
the list and is referred to on page 27.

" The application was referred to the
"Ontario Provincial Police and the Clerk
"of the Municipality of Kingston,
"Cataraqui, as well as other departments
"of government.

" The Ontario Provincial Police report
"is dated July 5th, 1950, and does not make

"any recommendation for or against the
"granting of the Letters Patent but
"indicates a lack of protection for
"spectators along the racing track.
"On September 29th, 1960, the applicants
"filed an undertaking to 'erect a proper
"rail which will afford adequate
"protection to the spectators at such
"races'.
" No report was received from the
"Municipality.
" In the exercise of his discretion,
"the Hon.John Yaremko issued Letters Patent
"dated October 3rd, 1960.
" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

Peterborough Central Business Association, not referred to on the list.

" The application was referred to
"the Peterborough Police and the Ontario
"Provincial Police.
" The Chief Constable reports on
"May 20th, 1958, that he could not
"recommend the incorporation of the
"Association, as the persons listed did
"not represent the over-all Business Men's
"Assocation.
" The Ontario Provincial Police

"any recommendation for or against the
"operation of the Service Station Law,
"indicates a lack of protection for
"operators along the racing tracks.
"On September 29th, 1950, the applicants
"filed an undertaking to 'erect a proper
"fail safe wall after elapsed
"protection to the spectators at such
"races'.

" No report was received from the
"Municipality.

" In the course of investigation,
"the Hon.John Yarmuko issued Letters Patent
"dated December 3rd, 1950.

" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else.

Provincial Secretary Matters Association,
not referred to on the list.

" The application was referred to
"the Government Films and the Ontario
"Provincial Police.

" The Chief Constable reports on
"May 20th, 1952, that he could not
"recommend the incorporation of the
"Association, as the persons listed did
"not represent the over-all Business Men's
"Association.

" The Ontario Provincial Police

"report is dated May 30th, 1958, and
"does not oppose the granting of the
"application.
" In the exercise of his discretion,
"the Hon.G.H.Dunbar issued Letters
"Patent dated the 30th day of June, 1958.
" No adverse report has been received
"by the Department with respect tothis
"Corporation from the police or anyone else."
Rhine-Danube Club, not on the list.
" The application was referred to the
"Leamington Police, the Ontario Provincial
"Police and the Royal Canadian Mounted
"Police . . .
"

" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."
The Toronto Chinese Anti-Communist Club.
" The matter was referred to the
"Ontario Provincial Police, the Toronto
"City Police and the Royal Canadian Mounted
"Police.
" The Royal Canadian Mounted Police
"did not object to incorporation.
" The report of the Ontario Provincial
"Police, dated March 16th, 1953, reviews
"in detail interviews with certain Chinese
"gentlemen who were interested in the

"report is made by 31st, 1958, and
"does not oppose the granting of the
"application.

"In the exercise of the discretion,
"the Lieutenant-Governor issued Letters
"Patent dated the 30th day of June, 1958.

"An adverse report has been received
"by the Department with respect to this
"Corporation from the police or anyone else."
Nine-Pence Club, not on the list.

"The application was referred to the
"Commissioner of Police, the Ontario Provincial
"Police and the Royal Canadian Mounted
"Police.

"

"No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

The Toronto Ottawa Hall-Committee Club.

"The matter was referred to the
"Ontario Provincial Police, the Toronto
"City Police and the Royal Canadian Mounted
"Police.

"The Royal Canadian Mounted Police
"did not object to incorporation.

"The report of the Ontario Provincial
"Police, dated December 1951, reviews
"in detail interviews with certain Ottawa
"gentlemen who were interested in the

"application and their Solicitor and
"concludes:
" 'In view of the conflicting
" information obtained the
" character of the premises involved,
" the close relationships of some
" of the applicants for the Toronto
" Chinese Anti-Communist Club and
" the Toronto Chinese Athletic
" Club . . . '" - which, incidentally,
is on the next page, Mr. Commissioner -
". . . with two separate premises involved
" with dual expense, I hesitate to
" recommend the granting of a
" charter with respect to 100
" Elizabeth Street, as I personally
" feel it would be only a short time
" before the premises would again
" be operated as a gambling den' . . .
"

" The Department has not been
"advised of any difficulty by the police
"or anyone else with respect to this
"corporation since."

The Toronto Chinese Athletic Club, not on the list.

" The matter was referred to the
"Ontario Provincial Police, the Royal
"Canadian Mounted Police and the Toronto
"City Police. . . .

"Commissioner Hoch's Attitude on

"conclude:

" 'In view of the conflicting

" [illegible]

" character of the premises involved,

" [illegible]

" I the applicants for the Toronto

" Chinese Anti-Gambling Club and

" the Chinese Society Ashbury

" [illegible] . . . ' " - Hoch, Commissioner,

is on the next page, Mr. Commissioner -

". . . with two separate premises involved

" with dual expense, I hesitate to

" recommend the granting of a

" charter with respect to 300

" [illegible], as a personal

" feel it would be only a short time

" before the premises would again

" be operated as a gambling den' . . .

"

" The Department has not been

"advised of any difficulty by the police

"or anyone else with respect to this

"[illegible] Lounge."

The Toronto Chinese Athletic Club, not on the list.

" The matter was referred to the

"Toronto Executive Committee, the Royal

"Canadian Mounted Police and the Toronto

"City Police. . . .

" No adverse report has been
"received by the Department with respect
"to this corporation from the police or
"anyone else."

RA/4 Toronto Negro Veterans' Association, not on the list.

" The matter was referred to the
"Provincial Police and the Toronto City
"Police, as well as other interested
"Departments. . . .
"

" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

Ukrainian Hethman Organization referred to in the list on page 27.

" The matter was referred to the
"Ontario Provincial Police and the Toronto
"Police. The Toronto Police had no
"objection to the granting of the charter,
"and the report of the Ontario Provincial
"Police is dated the 15th day of June, 1960.
"The report indicates that each one of
"the applicants was checked at their
"places of employment and the principals
"of the organization were interviewed.
"The Ontario Provincial Police report
"then concludes:
" 'Although the character of the

"... No adverse report has been
"received by the Department with respect
"to this corporation from the police or
"anyone else."

Toronto Negro Veterans' Association, not
on the List.

" The matter was referred to the
"Provincial Police and the Toronto City
"Police, as well as other interested
"departments. . . .

"

" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

Provincial Patrol (Communist) referred
to in the List on page 27.

" The matter was referred to the
"Ontario Provincial Police and the Toronto
"Police. The Toronto Police had no
"objection to the granting of the charter,
"and the report of the Ontario Provincial
"Police is dated the 18th day of June, 1940.
"The report indicates that each one of
"the applicants was checked at their
"places of employment and the principals
"of the organization were interviewed.
"The Ontario Provincial Police report
"concludes:

" 'Although the character of the

" principals seems to be beyond
" reproach it would appear that there
" is dissention betweenthis club
" and their headquarters and in addition
" it appears that the Toronto Branch
" of the U.S.S.A. . . . !" - that is the Ukrainian Sporting Sitch Association -
" '. . . wishes to receive benefits
" of the National Association but
" wants protectionfrom having to
" support it. In view of the above
" I cannot recommend that incorporation
" be granted to the Ukrainian Hethman
" Organization under the present
" circumstances.'"

Q. What does"U.S.S.A. " stand for?

A. Ukrainian Sporting Sitch Association.

MR.WILSON: Q. How do you spell "Sitch"?

A. S-i-t-c-h. It is a term of art applying to a Cossack band in the Old Country, I believe.

THE COMMISSIONER: Q. Applied to what?

A. The Ukrainian Cossacks in, I think, after the first World War, or even -- it may embarrass me for not knowing the history of my parents. But, Sitch is a very ancient organization within the Ukraine and the Old Country. It is spelled S-i-t-c-h and it is a romantic organization of the Cossacks on horseback. The U.S.S.A. is the Ukrainian Sitch Association, which had

principle seems to be beyond

question. It will answer that question

in direct and unmistakable terms

and their headquarters and in addition

it appears that the Ukrainian Congress

of the U.S.A. . . . ;" - that

is the Ukrainian Sporting Sitch Association -

". . . wishes to receive benefits

of the National Administration in

works protection having to

support it. In view of the above

I cannot recommend that Congressional

be granted to the Ukrainian Sitch

Organization under the proposed

arrangements."

Then there "U.S.A." about that

Ukrainian Sports-Sitch Association.

MR.WILSON: Q. How do you spell "Sitch"?

A. S-i-t-c-h. It is a term of art

applying to a Cossack band in the Old Country,

I believe.

THE COMMISSIONER: Q. Applied to what?

A. The Ukrainian Cossacks in, I think,

after the First World War, or even -- it may

embarrass me for not knowing the history of my

parents. But, Sitch is a very ancient organization

among the Ukrainians and was its history. It is

spelled S-i-t-c-h and it is a remarkable organization

of the Cossacks on horseback. The U.S.A.

in the Ukrainian Sitch Association, which has

carried on here in the city for a number of years.

" At least one of the applicants "and the organization had been known "to the Minister personally for a number "of years, and in the exercise of his "discretion, the Hon.John Yaremko issued "Letters Patent on July 12th, 1960.

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone "else."

The Unmarried Peoples Association is on the list on page 27.

" The matter was referred to the "Ottawa Police and the Ontario Provincial "Police. The report of the Ottawa "Police was dated January 28th, 1960, "and concludes in part: . . .

"

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone "else."

Windsor Choristers Athletic Club, not on the list.

" The application was referred to the "Windsor Police and to the Ontario Provincial "Police. . . .

"

---

carried on here in the city for a number of years.

" At least one of the applicants
"and the organization had been known
"to the Minister personally for a number
"of years, and in the exercise of his
"discretion, the Hon.Jean Thomas issued
"Letters Patent on 17th June, 1919.

" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

The Unmarried Peoples Association is on the list on page 27.

" The matter was referred to the
"Ottawa Police and the Ontario Provincial
"Police. The report of the Ottawa
"Police was Ethel Barney Ann, 1920,
"Not activated in part. . . .

" No adverse report has been received
"by the Department with respect to this
"corporation from the police or anyone
"else."

Windsor Ohnstakers Athletic Club, not on the list.

" The application was referred to the
"Ottawa Police and the Ontario Provincial
"Police. . . .

" No adverse report has been received
"by the Department with respect to this
"corporation from the Police or anyone else."
Windsor Magic Circle, on the list on page 27.
" The application was referred to
"the Ontario Provincial Police and the
"Windsor Police. . . .
"

" 'It would, therefore, suggest . . .'"
- I do not know whether the word "it" should
be "I" or "it", but the sense is there -
" 'It would, therefore, suggest
" that incorporation not be
" granted at this time and that a
" new application be submitted when
" the organization is placed on a
" more permanent basis and the
" membership increased.' . . .
"

" In view of this information the
"Hon.Mackinnon Phillips in the exercise of
"his discretion, issued Letters Patent
"dated May 3rd, 1960, the Ontario Provincial
"Police and the Windsor Police were
"notified by letter as to the fact that
"the applicants had been in existence
"since 1951, and were carrying on
"activities including lectures, demonstrat-
"ions and social work."
Mr. Commissioner, I notice above we

" No adverse report has been received
"by the Department with respect to this
"corporation from the Police or anyone else."
Windsor Magic Circle, on the 1st on page 27.

" The application was referred to
"the Ontario Provincial Police and the
"Windsor Police. . . .
"

" 'It would, therefore, suggest . . .'
- I do not know whether the word "it" should
be "I" or "it", but the sense is there -
'It would, therefore, suggest
" that incorporation not be
" granted at this time and that a
" new application be submitted when
" the organization is placed on a
" more permanent basis and the
" membership increased.' . . .
"

" In view of this information the
"Hon.Mackinnon Phillips in the exercise of
"his discretion, issued Letters Patent
"dated May 3rd, 1960, the Ontario Provincial
"Police and the Windsor Police were
"notified by letter as to the fact that
"the applicants had been in existence
"since 1951, and were carrying on
"worthwhile charitable functions, demonstra-
"tions and sociability."

Mr. Commissioner, I notice above we

referred to 1959 and 1951. I will have to check to see whether that date "since May of 1959" in the eighth line from the bottom is correct. I believe it should be 1951.

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone "else."

The Yacht Club of Port Credit.

" The first application for "incorporation was dated the 2nd day of "April, 1959, . . . "

" The application was referred to the "Port Credit Police and to the Ontario "Provincial Police." - and this is not on the list -

". . . and to the Ontario Provincial "Police. The Ontario Provincial Police "report is dated the 12th day of June, 1959, "and while stating that they had no "objection to the operation of the Yacht "Club they advised that the illegal "sale of liquor was being operated on the "Yacht Club premises. . . . "

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone

referred to 1929 and 1931. I will have to check to see whether that date "since May of 1929" in the eighth line from the bottom is correct. I believe it should be 1931.

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone "else."

The Yacht Club of Port Credit.

The first application for "incorporation was dated the 2nd day of "March, 1931. . . ."

" The application was referred to the "Port Credit Police and to the Ontario "Provincial Police." - and this is not on the list -

". . . and to the Ontario Provincial "Police. The Ontario Provincial Police "report is dated the 12th day of June, 1931, "and while stating that they had no "objection to the operation of the Yacht "Club they advised that the illegal "sale of liquor was being operated on the "Club premises. . . ."

" No adverse report has been received "by the Department with respect to this "corporation from the police or anyone

"else."

Now, on page 26 and 27 we summarize - - are summarized, Mr. Commissioner, -- It is headed:

" The list supplied on behalf of Mr. "Wintermeyer (referred to in the brief) "in which is alleged the issuance of "'letters patent or supplementary letters "patent despite adverse reports from the "Ontario Provincial Police ', is as follows:--"

And, then, we have listed that.

We have dealt with all of them in detail with the exception of three, which begin on page 28.

" The details of these three "remaining Corporations, which are listed "on behalf of Mr. Wintermeyer as having "been 'issued letters patent or supplementary "letters patent despite adverse reports "from the Ontario Provincial Police', "are as follows: . . .

AA/5

" _____

" The application for Supplementary "Letters Patent was refused.

" Mr. Wintermeyer is incorrect.

" 3. CHEE KUNG TONG . . . "

- this is also on the list and we dealt with that earlier. That was where an application was made for an order to revive this corporation.

"else."

Now, on page 25 and 27 we summarize - - are summarized, Mr. Commissioner, -- It is located:

" The list supplied on behalf of Mr. "Hinsenmeyer (referred to in the brief) "[illegible] is already the issuance of "letters patent by supplementary letters "patent despite adverse reports from the "Ontario Provincial Police ', is as follows:-

We have dealt with all of them in detail with the exception of three, which begin on page 28.

" The details of these three "[illegible] "on behalf of Mr. Hinsenmeyer as having "been 'issued letters patent or supplementary "letters patent despite adverse reports "from the Ontario Provincial Police', "are as follows: . . .

"

" The application for supplementary "letters patent was refused.

" Mr. Hinsenmeyer is [illegible].

" 3. CHEK KUNG TONG . . . "

- this is also on the list and we dealt with that earlier. That was where an application was made for an order to revive this corporation.

"The application was referred to the
"Ontario Provincial Police and the
"Metropolitan Toronto Police.
" The application was refused.
" Mr. Wintermeyer is incorrect."

(Page 9555 follows)

"The application was referred to the
"Ontario Provincial Police and the
"Commissioner Gordon Wills.

" The application was refused.

" Mr. Whatsoever is innocent."

(Page 2525 follows)

B/PJMcG/1

THE WITNESS: Now, if I may continue, on page 29 of Appendix H:

"In order to properly appreciate

". . . . (reading) . . . . Appendix D,

"item 2."

Mr. Commissioner, that was the letter the Deputy Minister sent to all Chiefs of Police at the time the policy was made. It was a three page letter.

"Commencing in August of 1946

" . . . . (reading on page 29) . . . .

"or other illegal activites."

THE COMMISSIONER: The present form, is that the one that was adopted on May 29th, 1961?

A. Yes. That is the form that is currently, and has been since that time, used because a memorandum -- in dealing with the tremendous volume of business we have letters which are barely form letters, and that is the form which is used. I would not say without exception because there may be cases where whoever is dictating these letters picks up as a precedent one of the other letters. But this is a form that was adopted as of the 29th of May -- actually it would be adopted subsequent to that time because we waited until we had received -- on page 40 is a memorandum from Mr. Levine, the Director of Companies, which would be

VOM COMMISSIONER: Mr. M. Lind continues, on page 29 of Appendix B:

"In order to properly appreciate

". . . . (reading) . . . . Appendix B, Item 1."

Mr. Commissioner, that was the letter the Deputy Minister sent to all Chiefs of Police at the time the policy was made. It was a three page letter.

"Commencing in August of 1946

" . . . . (reading)on page 29) . . . .

"or other illegal activies."

VOM COMMISSIONER: The present form, is that the one that was adopted on May 29th, 1947?

A. Yes. That is the form that is currently and has been since that time, used because a memorandum -- in dealing with the tremendous volume of business we have letters which are barely form letters, and that is the form which is used. I would not say without exception because there may be cases where whoever is dictating these letters picks up as a precedent one of the other letters. But this is a form that was adopted as of the 29th of May -- normally it would be adopted subsequent to that time because we waited until we had received -- on page 40 is a memorandum from Mr. Jovine, the Director of Companies, which would be

directed to the other solicitors in the Department. They have a book which contains many memoranda. That is the direction which went out to the solicitors in the Department on the 6th of July, 1961.

Do you wish me to read all the following letters? On page 30 there is a sample letter, on 31 a sample letter, on page 32 a sample letter, on page 33 a sample letter, and then there is the correspondence between the Department of the Provincial Secretary and the Attorney General's Department and the memoranda.

Q. No. I was advised that you wanted a recess at 3.25.

A. Yes, if I may.

Q. Will ten minutes be adequate for your purposes?

A. That will be fine, Mr. Commissioner.

---A short recess.

BB/2

THE WITNESS: I return, Mr. Commissioner, to the brief at page 82, the middle of the page on the left hand side. Mr. Wintermeyer stated:

"Secondly, that despite the "declared policy of the government "and the requirement of the law, "these clubs have been able to "operate with relative impunity for

directed to the outer solicitors in the Department. They have a book which contains many memoranda. That is the direction which went out to the solicitors in the Department on the 12th of July, 1955.

Do you wish me to read all the following letters? On page 30 there is a sample letter, on 31 a sample letter, on page 32 a sample letter, on page 33 a sample letter, and then there is the correspondence between the Department of the Provincial Secretary and the Attorney General's Department and the [illegible].

Q. No. I was advised that you received a [illegible] on 1.25.

A. Yes, if I recall.

Q. Will ten minutes be adequate for your purposes?

A. That will be fine, Mr. Commissioner.

---A short recess.

THE COMMISSIONER: I believe, Mr. Commissioner, in the brief on page 28, the middle of the page on the left hand side. Mr. Winterbottom stated:

"Secondly, that despite the federal policy of the government "and the requirement of the law, "these clubs have been able to "operate with relative impunity for

"long periods of time."

Our comment, Mr. Commissioner, is on the right:

"The Department submits that "there is no evidence whatsoever to "substantiate the accuracy of this "statement. Further the Department "submits that there is conclusive "evidence to the contrary.

"In Appendix K referred to supra "it will be seen from this list that "every complaint made by the police "has been dealt with by the Department "and the charter in each case has "been cancelled or proceedings to "cancel have been initiated."

THE COMMISSIONER: Q. Just a moment. Mr. Wintermeyer says:

"Secondly, that despite the "declared policy of the government "and the requirement of the law, "these clubs have been able to "operate with relative impunity "for long periods of time."

And your answer is that:

"The Department submits that "there is no evidence whatsoever to "substantiate the accuracy of this "statement."

Now, that statement, "There is no evidence

"long periods of time."

Our comment, Mr. Commissioner, is on the

Plan:

"The Department submits that

"there is no evidence whatsoever to

"substantiate the accuracy of this

"statement. Further the Department

"submits that there is conclusive

"evidence to the contrary.

"In Appendix R referred to supra

"it will be seen from this list that

"every complaint made by the police

"has been dealt with by the Department

"and the charges in each case has

"been cancelled or proceedings to

"cancel have been initiated."

THE COMMISSIONER: Q. Just a moment.

Mr. Winsemyer says:

"Secondly, that despite the

"declared policy of the government

"and the requirements of the law,

"these cases have been able to

"survive with relative impunity

"for long periods of time."

And your answer is that:

"The Department submits that

"there is no evidence whatsoever to

"substantiate the accuracy of this

"statement."

Now, that statement, "There is no evidence

whatsoever"; certainly there has been evidence before me.

A. Well, of course, this, I believe, is a question revolving around what he would mean by these clubs. He is referring to 55 chartered clubs in Toronto which have been convicted or suspected of gaming within recent date. I think this is the first instance on which you have had any evidence before you relating to the number of these clubs. I have not read the testimony but I believe there has been testimony with reference to some clubs and the period of time that they have been in operation.

Q. Take the Centre Road Vets Club, for example, and the Roseland Club in Windsor, and the Frontier Club in Niagara Falls; there certainly have been pages and pages of evidence before me concerning them.

A. Yes.

Q. Notwithstanding the policy of the government and the requirements of the law, those clubs have been able to operate with relative impunity for a long period of time?

A. I am relating that statement to his statement where he says:

"Firstly, police have demon-
"strated they know of 55 chartered
"clubs in Metro which have been

wherever"; certainly there has been evidence before me.

A. Well, of course, this, I believe, is a question revolving around what he would mean by these clubs. He is referring to 99 chartered clubs in Toronto which have had complaints or comments at public clubs recent date. I think this in the first instance is more pertinent and my evidence before you relating to the number of these clubs. I have not read the testimony but I believe there has been testimony with reference to some clubs and the period of time that they have been in operation.

Q. Take the Centre Road Vets Club, for example, and the Roseland Club in Windsor, and the Frontier Club in Niagara Falls; there certainly have been pages and pages of evidence taken as I recall it.

A. Yes.

Q. Notwithstanding the policy of the government and the requirements of the law, these clubs have been able to operate with relative impunity for a long period of time?

A. I am relating that statement to the statement that he said:

"Firstly, Police are concerned they know of 99 chartered clubs in Metro which have been

"convicted or suspected of gaming within
"recent dates."

There again it is a generality, Mr. Commissioner.

"I do not suggest that this is an all-
"inclusive figure, but by itself it
"indicates that widespread gaming
"is a fact in Metro Toronto.

"Secondly, that despite the
"declared policy of the government and
"the requirement of the law, these
"clubs have been able to operate
"with relative impunity for long
"periods of time."

Now, when we were preparing our brief, which of course was prior to the evidence which has been presented to you, we related the word "these" to the 55 that he was referring to, not the three or four -- I don't know what the number actually is.

Q. I only referred to those three as among those operated with impunity despite the regulations and the law.

A. Appendix K is the list of complaints of the Metropolitan Toronto Police. If I may refer to that appendix and bring it to your attention, there is a list submitted by James Mackey, Chief of Police of Metropplitan Toronto, and he lists clubs there, a substantial number. We have based our statement on the basis not in relationship

"convicted or suspected of gaming within
"recent dates."

There again is a generality, Mr. Commissioner.

"I do not suggest that this is an all-
"inclusive figure, but by itself it
"indicates that widespread gaming
"is a fact in Metro Toronto.

Secondly, that despite the
"declared policy of the government and
"the requirement of the law, these
"clubs have been able to operate
"with relative impunity for long
"periods of time."

Now, when we were preparing our brief, which of course was prior to the evidence which has been presented to you, we related the word "these" to the 55 that he was referring to, not the three or four -- I don't know what the number actually is.

Q. I may relate to these words, sir as among those operated with impunity despite the regulations and the law.

A. Immediately in the list of complaints of the Metropolitan Toronto Police. If I may refer to that appendix and bring it to your attention, there is a list submitted by James Mackey, Chief of Police of Metropolitan Toronto, and he lists clubs there, a substantial number. We have based our statement on the basis not in relationship

to two or three or four -- I am not aware of how many specific clubs have been presented in evidence to you to this date -- but we were looking at this statement, as I say, in relationship to the figure of 55.

Now, Mr. Commissioner, the evidence as to the Centre Road operations and the Roseland and the others, of course, has been put in before you apart from the speech which we have been examining, but I do direct your attention to Appendix K.

Q. Well, I have not thought to pay particular attention to the number, whether it is 55, 26, or 12, whatever it may be, but there has certainly been conclusive evidence before me that a number of these social clubs, despite the policy of the government or the requirements of the law, have operated for long periods of time. We have spent days listening to evidence as to the extent of their operations and how they evaded or frustrated the police.

I am only drawing that to your attention, Mr. Yaremko.

A. In the summary ---

Q. And if they did that, despite the policy of the government and the sequirements of the law, I suppose the fact that they did it doesn't reflect adversely on the government.

A. I agree, Mr. Commissioner.

to two or three or four -- I am not aware of how many specific clubs have been presented in evidence to me in this case -- but I was looking at this statement, as I say, in relationship to the figure of 55.

Now, Mr. Commissioner, the evidence as to the Centre Road operations and the Beaseland and the others, of course, has been put in before you apart from the speech which we have been examining, but I do direct your attention to Appendix K.

Q. Well, I have not thought to pay particular attention to the number, whether it is 55, 26, or 12, whatever it may be, but there has certainly been conclusive evidence before me that a number of these social clubs, despite the policy of the government or the requirements of the law, have operated for long periods of time. We have spent days listening to evidence as to the extent of their operations and how they evaded or frustrated the police.

I am only drawing that to your attention, Mr. Yuremko.

A. In the summary ---

Q. Are it that did that, despite the policy of the government and the requirements of the law, I suppose the fact that they did it doesn't reflect adversely on the Government.

A. I agree, Mr. Commissioner.

Q. But I was challenging what you said that the Department submits that there is conclusive evidence to the contrary. I cannot agree with that.

A. Well, as I say, I qualify that. That was made in relationship to the figure of 55. I suggest to you, Mr. Commissioner, that perhaps the Chief of Police of Metropolitan Toronto, whose municipality contains this 55, is in the best position to tell me, in any event, although I do not know the relative period of time that any of these clubs have been incorporated, have been in action. Later on we will be giving a summary.

I have already indicated that after a meeting in the first week of January, 1960, when Chief Mackey was present at a meeting with the Deputy Minister and the Deputy Minister said, "Well, submit your complaints", that in 1960 and 1961, the two years that followed that interview, less than two years, there were 32 charters cancelled.

Now, as to how long they had been in operation, we really do not know, but the Department took action as soon as this was ----

BB/3

Q. All right.

A. We will be dealing with the fact that a great number of them were done by reason of conviction, and the Toronto Police

Q. But I was challenging what you said that the Department exactly did there is conclusive evidence to the contrary. I cannot agree with that.

A. Well, as I say, I qualify that. That was made in relationship to the figure of 32. I suggest to you, Mr. Commissioner, that decisions not only of Prime Ministers but Metropolitan Toronto, those municipalities covering this 32, is in the best position to tell me, in any event, although I do not know the relative merits of plans that are of these cities have been incorporated, have been in motion. Later on we will be giving a summary.

I have already mentioned that after a meeting in the first week of January, 1960, when Chief Mooney was present at a meeting with the Deputy Minister and the Deputy Minister said, "Well, what's your complaint?", that in 1960 and 1961, the two years that followed that interview, less than two years, there were 32 shertors cancelled.

Now, as to how long they had been in operation, we really do not know, but the Department took action as soon as this was ----

Q. All right.

A. We will be dealing with the fact that a great number of them were done by reason of conviction, and the Toronto Police

had taken the necessary action to ensure that they didn't operate with impunity. But that statement was in relationship to the 55 rather than a small number.

Mr. Wintermeyer continues:

"Thirdly, the action of the "hon. Provincial Secretary's Department "in granting charters to clubs in the "face of police objection and the "subsequent convictions of many "clubs for gaming leads one to "conclude that the granting of "charters was in fact a temporary "licence to game. The failure of "the hon. Attorney General's "Department to act against these "clubs in the face of adverse "reports indicates at least a "complete lack of liaison between "the hon. Attorney General and the "hon. Provincial Secretary. At "worst, it could be said that "negligence of the two departments "permitted the operation of gaming "houses."

Then the Department's comment:

"The Department submits that "these statements by Mr. Wintermeyer "are completely false . . . . "(reading on page 82) . . . . in the

had taken the necessary action to ensure that
and slightly varied this account. But that
statement was in relationship to the 55,
rather than a small number.

Mr. Whatcoverer continues:

"Thirdly, the action of the
Hon. Provincial Secretary's statement
"in granting charters to clubs in the
"face of police objection and the
"absence of municipal or county
"clubs for gaming leads one to
"conclude that the granting of
"charters was in fact a temporary
"licence to game. The failure of
"the Hon. Attorney General's
"Department to act against these
"clubs in the face of adverse
"reports indicates at least a
"complete lack of liaison between
"the Hon. Attorney General and the
"Hon. Provincial Secretary. At
"worst, it could be said that
"negligence of the two departments
"permitted the operation of gaming
"clubs."

Then the Department's comment:

"The Department submits that
"these statements by Mr. Whatcoverer
"are completely false . . . .
"(reading on page 62) . . . . in the

"face of police objection."

I qualify that at this stage because since this brief was prepared the Bathurst-Sheppard Club -- and we have gone into the details of the type of report involved -- in that regard the Letters Patent of that club have been cancelled for breach of the provisions of the Letters Patent.

"Further, in none of the cases "where the Department has granted "incorporation after July, 1950 . . . . "(reading on page 83) . . . . let "alone a conviction of the club."

That is where the Bathurst-Sheppard should come in, Mr. Commissioner.

"The Department submits that the "statement and conclusion Mr. "Wintermeyer indicated is totally "erroneous . . . . (reading on "page 83) . . . . administration "of the law and departmental policy "with respect to social clubs."

Mr. Wintermeyer, on the left hand side, states:

"Mr. Speaker, there are three "other aspects of the problem "presented with the social club "charters that I would like to raise, "and they are these:

"1. The problems created by

"face of police objection."

I quality that at this stage because since this brief was prepared the Saturnet-Shipyard Club -- and we have gone into the details of the type of report involved -- in that regard the letters Patent of that club have been cancelled for breach of the provisions of the Letters Patent.

"Further, in none of the cases "where the Department has granted "incorporation after July, 1950 . . . . "(reading on page 63) . . . . let "alone a conviction of the club."

That is where the Saturnet-Shipyard [illegible]

"The Department submits that the "statement and conclusion in "[illegible] is valid: "erroneous . . . . (reading on "page 63) . . . . administration "of the law and departmental policy "can respect to social clubs."

[illegible]

[illegible]:

"In [illegible], there are [illegible] "other aspects of the problem "presented with the social club [illegible] "observers that I would like to raise, "and they are these:

"1. The problems created by

"the failure of the government to make "retroactive its regulations governing "the change of address of a social "club."

Then, Mr. Commissioner, on the right the comment of the Department:

"As Mr. Wintermeyer elaborates "on this matter infra the Department "will discuss the matter at that "point."

Then, Mr. Commissioner, on the left:

"3. The interlocking nature of "gambling clubs as revealed by the "presence of certain individuals, "many of them convicted gamblers --- "

Q. Where are you reading from?

A. No. 3 on the left, Mr. Commissioner. I skipped No. 2.

Q. Oh, yes; that is all right.

A. (Reading):

" . . . . certain individuals, many "of them convicted gamblers or "convicted found-ins of gaming "houses as officers, directors or "members of many different social "clubs."

Then, Mr. Commissioner, the comment:

"The Department has discussed "this matter supra.

"At that point the Department

"the failure of the government to make
"retroactive the regulations governing
"the change of address of a social
"club."

Then, Mr. Commissioner, on the right
the counsel of the Department:

"Mr. Commissioner, sir,
"on this matter here the Department
"will discuss the matter at that
"point."

Then, Mr. Commissioner, on the left:

"Q. Was investigating officer or
"gambling clubs as revealed by the
"presence of certain individuals,
"many of them convicted gamblers —"

Q. Where are you reading from?

A. No. 3 on the left, Mr. Commissioner.

I skipped No. 2.

Q. Oh, yes; that is all right.

A. (READING):

" . . . certain individuals, many
"of them convicted gamblers or
"convicted found-ins of gaming
"houses as officers, directors or
"members of many different social
"clubs."

Then, Mr. Commissioner, the comment:

"The Department has discussed
"this matter."

"At that point the Department

"analyzed the implications of those
"statements and pointed out the
"fallacy inherent in them."

Then, on the left of page 84, Mr. Wintermeyer said:

"Mr. Speaker, the first point
"deals with the government policy
"towards the social club charters
"issued before 1949 . . . . (reading
"on page 84) . . . . and continued
"in business, very often on the
"very same site."

Then, Mr. Commissioner, the comment of the Department on the right is:

"The present policy of the
"Department requiring that in the
"case of all corporations having
"objects in whole or in part of a
"social nature . . . . (reading
"on page 84) . . . . issued a
"regulation would not be valid but
"a statutory amendment was required."

Then, Mr. Commissioner, at the top of page 85, on the left:

"There is the case of 1289
"Bloor Street West. In 1959 this
"was the Toronto Branch of the
"Montcalm Amateur Athletic Association,
"an Ottawa club, that was closed up
"when the Ottawa headquarters was

"analyzed the implications of those
"statements and pointed out the
"fallacy inherent in them."

Then, on the left of page 84, Mr. Winterbotham says:

"Mr. Speaker, the first point
"deals with the government policy
"towards the social club character
"issued before 1949 . . . . (reading
"on page 84) . . . . and continued
"in business, very often on the
"very same site."

Then, Mr. Commissioner, the comment of the Department on the right is:

"The present policy of the
"Department regarding that in the
"case of all corporations having
"objects in whole or in part of a
"social nature . . . . (reading
"on page 84) . . . . issued a
"regulation would not be valid but
"a statutory amendment was required."

Then, Mr. Commissioner, at the top of page 85, we read:

"There is the case of 1489
"Bloor Street West. In 1959 this
"was the Toronto Branch of the
"Canadian Legion Ministry Association,
"an Ottawa club, that was closed up
"when the Ottawa headquarters was

"convicted of gaming."

Then the Department's comment on the right:

"Montcalm Amateur Athletic "Association.

"Incorporated under The Ontario "Companies Act by Letters Patent dated "August 28, 1931 . . . . (reading on "page 85) . . . . indicating that it "ever operated at 1289 Bloor Street "West, Toronto, as alleged by Mr. "Wintermeyer."

On the left Mr. Wintermeyer states:

"After cancellation of the Montcalm "charter the Greek Canadian Social "Club which was organized in Ottawa "in 1915 opened at the same address.

"The public file makes it "clear that this club had been "dormant for many years and its "records lost. The Toronto law "firm of Herman, Moses & Rose and "McReath and Lamar sought to produce "substitute records, but the charter "was cancelled on January 30, 1960, "as a result of police representations."

Then, Mr. Commissioner, on the right it is stated:

"The Greek Canadian Club -- "it is assumed that the reference by

"convicted of gaming."

Then the Department's comment on the

right:

"Therefore [illegible] [illegible]

"[illegible].

"Incorporated under the [illegible]

"[illegible] act by Lieut.-Colonel [illegible]

"August 26, 1921 . . . . (reading on

"page 63) . . . . indicating that it

"ever operated at 1259 Bloor Street

"West, Toronto, as alleged by Mr.

"Whitemore."

So far left Mr. Whitemore answer:

"After consolidation of the Monsoonin

"charter the Greek Canadian Social

"Club which was organized in Ottawa

"in 1915 appears to [illegible] [illegible],

"The public file means it

"clear that this club had been

"dormant for many years and its

"records lost. The Toronto law

"firm of Herman, Moses & Rose and

"Mofooth and Lamar sought to produce

"substitute records, but the charter

"was cancelled on January 30, 1922,

"as a result of police representations."

Then, Mr. Commissioner, on the right

it is stated:

"The Greek Canadian Club --

"it is assumed that the reference by

"the Leader of the Opposition to Greek "Canadian Social Club has reference "to this club which has been discussed "supra."

Then, Mr. Commissioner, on the left:

"Let us now look at 111½ King "Street West. Until early 1959 this "was the location of the Dorchester "Club of Picton which was incorporated "in 1947. The charter was dissolved "on May 14th, 1959, as a result of a "court conviction."

Then, Mr. Commissioner, the Department's comment on the right:

"The Dorchester Club of Picton. "Incorporated under The Ontario "Companies Act by Letters Patent dated "August 30, 1947 . . . . (reading on "page 85) . . . . an order dated "January 14, 1959, was made cancelling "the Letters Patent effective "February 14th, 1959."

Then, Mr. Commissioner, on page 86 on the left hand side Mr. Wintermeyer stated:

"The premises are currently "occupied by the Community Social "Club, which was incorporated in 1934 "and which is a suspected gaming "house. The police know it to be "at this address but ~~[illegible]~~ the hon.

"the leader of the opposition to Greek
"Canadian Social Club has increasing
"to this club which has been discussed
"above."

Then, Mr. Commissioner, on the left:

"Let us now look at Lily King
"Street West. Until early 1952 this
"was the location of the Dorchester
"Club of Ukrainian Canadians
"in 1947. The charter was cancelled
"on May 14th, 1952, as a result of a
"court conviction."

Then, Mr. Commissioner, the Department's
comment on the right:

"The Dorchester Club of Toronto,
"Incorporated under The Ontario
"Companies Act by Letters Patent dated
"August 30, 1947 . . . . (reading on
"page 85) . . . . an order dated
"January 14, 1952, was made cancelling
"the Letters Patent effective
"February 14th, 1952."

Then, Mr. Commissioner, on page 88 on
the left hand side Mr. Winterbottom stated:

"The premises now currently
"occupied by the Community Social
"Club, which was incorporated in 1954
"and which is a suspected gaming
"house. The police know it to be
"at this address but against the non.

"Provincial Secretary's records give
"the location of the Community Social
"Club as 1335 Dundas Street West."

Then, Mr. Commissioner, the Department's comment on the right:

BB/4

"Community Social Club.

"Incorporated under The Ontario
"Companies Act by Letters Patent dated
"December 13, 1934 . . . . (reading
"on page 86) . . . . if, as Mr.
"Wintermeyer stated on the date of
"his speech, November 29, 1961, 'The
"premises are currently occupied by
"the Community Social Club' it does
"so as an unincorporated body."

Then, Mr. Commissioner, on the left Mr. Wintermeyer mentions the Union Jack Club and on the right we have discussed that earlier.

He continues:

"The same address was then used
"by the Nottawa Community Club until
"its charter was cancelled on
"March 28, 1960, as a result of
"police representations . . . .
"(reading) . . . . following this
"letter a Toronto law firm revived
"the charter and a new set of
"directors was appointed and the
"club was moved from Nottawa to

"Provincial Secretary's records give
"the location of the Community Social
"Club as 1313 Dundas Street West."
Then, Mr. Commissioner, the Department's
answers on the right:

"Community Social Club.

"Incorporation under the Ontario
"Companies Act by Letters Patent dated
"December 11, 1931 . . . . (reading
"on page 86) . . . . If, as Mr.
"Wintermeyer stated on the date of
"his speech, November 29, 1951, 'The
"premises are currently occupied by
"the Community Social Club' it was
"on an unincorporated body."

Then, Mr. Commissioner, on the left
Mr. Wintermeyer mentions the Union Jack Club
and on the right we have discussed that
already.

Mr. Commissioner:

"The same address was then used
"by the Italian Community Club until
"its charter was cancelled on
"March 28, 1960, as a result of
"police representations . . . .
"(reading) . . . , following this
"letter a Toronto law firm revived
"the charter and a new set of
"directors was appointed and the
"club was moved from Bathurst to

"Toronto."

The comments of the Department on the right:

"Nottawa Community Club.

"Incorporated under The Ontario "Companies Act by Letters Patent "dated October 27, 1919 . . . .

"(reading on pages 86, 87 and 88)

". . . . the Department at no time "made an order reviving the corporate "power."

On the left, Mr. Wintermeyer continues ---

Q. Just a moment. I cannot recall offhand whether a failure to exercise corporate powers over a given period of time ipso facto results in forfeiture?

A. Yes, it does, Mr. Commissioner. Prior to 1954 -- I haven't the old Companies Act but under the old Companies Act, that is the pre-Corporations Act which we have now -- the law was that if a corporation did not exercise its corporate powers for a period of two or three years -- I am advised it is two years -- then it automatically forfeited its corporate powers. It continued as a corporate entity until some steps were taken, either by surrender or dissolution or cancellation, it continued as a corporate entity but had no power -- it could exercise no powers. It was still required under the

"Thomas.

The comments of the Department on the

right:

"Yellowe Township Club.

"Incorporated under The Ontario

"Companies Act by letters Patent

"dated October 27, 1919 . . . .

"(reading on pages 86, 87 and 88)

". . . . the Department at no time

"made an order revoking the corporate

"power."

On the left, Mr. Whitemayer continued ---

Q. Just a moment. I cannot recall offhand whether a failure to exercise corporate powers over a given period of time ipso facto results in dissolution?

A. Yes, it does, Mr. Commissioner. Prior to 1924 -- I haven't the old Companies Act but under the old Companies Act, that is the pre-Corporations Act which we have now -- the law was that if a corporation did not exercise its corporate powers for a period of two or three years -- I am advised it is two years -- then it automatically vitiated its corporate powers. It continued as a corporate entity until some steps were taken, either by surrender or dissolution or cancellation, it continued as a corporate entity but had no power -- it could exercise no powers. It was still required under the

law to file annual returns although it could not exercise its corporate powers until an order of reviver, which was also possible by an application to the Provincial Secretary.

You may have heard, Mr. Commissioner, that in the case of some racing associations, in the case of the new Rideau Carleton Race Track in Ottawa, that that will be operating under the auspices of charters of some six racing associations that had been in existence back in 1891 and around those years, and had not used their powers for quite an interval, quite a period of time, and then the application was made by people who obtained the necessary interests in those associations and they had to apply for an order of reviver which the Provincial Secretary is empowered to give.

But apart from that, prior to the order of reviver, and whether the order of reviver had been made, they would be required to file annual returns, and in some instances they did file sixty and seventy years' annual returns right back.

Q. I see.

A. But the reviving corporate powers is -- the word is "reviver". It is a technical procedure.

The law provides that after 1954 the Department must take an affirmative action

law to file annual returns although it could not exercise its corporate powers until an order of revivor, which was also possible by an application to the Provincial Secretary.

You may have heard, Mr. Commissioner, that in the case of some racing associations, in the case of the new Rideau Carleton Race Track in Ottawa, that they will be operating under the auspices of charters of some six racing associations that had been in existence back in 1891 and around those years, and had not been active for quite an interval, quite a period of time, and then the application was made by people who obtained the necessary increases in those associations and they had to apply for an order of revivor which the Provincial Secretary is empowered to give.

But apart from that, prior to the order of revivor, and whether the order of revivor had been made, they would be required to file annual returns, and in some instances they did file sixty and seventy years' annual returns right here.

Q. I see.

A. The -- the writing [illegible] is -- the word is "revivor". It is a [illegible].

The law provides that after 1896 the Department must take an affirmative action

to declare the corporate powers forfeited. They are not off ipso facto. Pre-1954 they were.

On the left Mr. Wintermeyer continues:

"Mr. Speaker, I could cite "much more evidence oftrafficking in "social club charters, long dormant "charters being suddenly revived, the "moving of club locations from one "part of the province to another . . . . "

Then we have extracted a line which we will be dealing with on another page.

" . . . . and operations of a succession "of dubious and suspicious charters at "the same addresses at which clubs "had been closed because of court "convictions."

Then, Mr. Commissioner, on the right hand side the comment of the Department:

"Mr. Wintermeyer states that "'I could cite much more evidence . . . . "(reading on page 88) . . . . This list "is as follows . . . . "

Mr. Wilson has the original list, Mr. Commissioner.

Q. Well, you copied it into your brief in any event?

A. Yes. Then continuing on page 89:

"The status of 11 of these clubs "are shown in Appendix J, being "cancellations, and the other three

to declare the corporate powers forfeited. They are not off hand facts. Pre-1934 they were.

on the last ex. unnecessary variables:

"Mr. Chairman, I would give

"much more evidence of trafficking in

"social club memberships, from January

"charters being suddenly revived, the

"moving of club locations from one

"part of the province to another . . . . "

Then we have extracted a line which we will be dealing with on another page.

" . . . . and operations of a succession

"of dubious and suspicious charters or

"the same addresses at which clubs

"had been closed because of court

"convictions."

Then, Mr. Commissioner, on the right hand side the comment of the Department:

"Mr. Chairman, I would give

"I could site much more evidence . . . .

"(reading on page 83) . . . . This list

"is as follows . . . . "

Mr. Wilson has the original list, Mr. Commissioner.

Q. Well, you copied it into your

proof in my report?

A. Yes. Then continuing on page 83:

"The status of 11 of these clubs

"are shown in Appendix 1, being

"(numbered), and we have some

"are referred to in the brief . . . .

"(reading on page 89) . . . . so that

"a curb on the above activities was

"effected early in 1960."

(Page 9573 follows)

CC/FTP/1

---(Continuing to read at page 89)

Then if I could refer back to page 88 where Mr. Wintermeyer says:

"I could cite much more evidence . . . "

Then we come to page 89 and that is where we extracted "failure to file returns with the hon. Provincial Secretary".

The comment of the Department is this:

"Mr. Wintermeyer states that "he could 'cite much more evidence "of . . . . failure to file annual "returns with the hon. Provincial "Secretary.' He does not,however, "give any evidence to support these "allegations . . . . . "

---(Page 90)

" . . . . Starting in 1956 the "cancellations were as follows:

"1956 -	2725
"1957 -	1798
"1958 -	1018
"1959 -	2157
"1960 -	2623
"1961 -	3853"

If I may for a moment recall to you, Mr. Commissioner, the statistical table on page 12 and bring to your attention that in 1950 the number of corporations cancelled were 119,

---(Continuing to read at page 89)

Then if I could refer back to page 85 where Mr. Winterbottom says:

"I could cite much more evidence . . . "

Then we come to page 89 and that is where we extracted "failure to file returns with the hon. Provincial Secretary".

The comment of the Department is this:

"Mr. Winterbottom states that "he could 'cite much more evidence "- . . . . failure to file annual "returns with the hon. Provincial "Secretary.' He does not,however, "give any evidence to support these "allegations . . . . . "

---(Page 90)

" . . . . Starting in 1956 the "cancellations were as follows:

"1956 -	2729
"1957 -	1794
"1958 -	1018
"1959 -	2137
"1960 -	2621
"1961 -	1817

If I may for a moment recall to you, Mr. Commissioner, the statistical table on page 12 and bring to your attention that in 1959 the number of corporations cancelled was 1113,

in 1955 they were 841. They were increased each year. You can refer to that statistical table, but these are indications of the last five years.

Continuing to read on page 91:

" . . . . and since 1950 a total of "16,871 Letters Patent have been "cancelled for failure to file . . . . "As a result of this departmental "procedure and investigation by the "police, initiated by the Department, "as has been mentioned previously, "clubs that had moved from, for "example, Ottawa and Nottawa to "Toronto, after their corporate "powers had been forfeited, were "cancelled by the Department for "cause."

Mr. Wintermeyer continued on the left, and I am starting at this point:

" --- and why have not provincial "government departments concerned "not maintained their records so "that chartered clubs can be "policed with respect to "applications, transfers, charges, "changes in control and so on.

"I wonder, Mr. Speaker, if "the provincial government "departments involved in granting

in 1935 they were 941. They were increased each year. You can refer to that statistical table, but these are indications of the last five years.

Continuing to read on page 91:

" . . . . and since 1930 a total of
"10,571 licence fees have been
"cancelled for failure to file . . . .
"As a result of this departmental
"procedure and investigation by the
"police, initiated by the Department,
"as has been mentioned previously,
"clubs that had moved from, for
"example, Ottawa and Hottawa to
"Toronto, after their charters
"powers had been forfeited, were
"cancelled by the Department for
"cause."

Mr. Winterseyer continued on the left, and I am starting at this point:

" --- and why have not provincial
"government departments concerned
"not maintained their records as
"that chartered clubs can be
"policed with respect to
"qualifications, residence, failure,
"changes in control and so on.
"I wonder, Mr. Speaker, if
"the provincial government
"departments involved in granting

"social club charters and enforcing the
"legal prohibitions against gaming
"ever compiled such a list and
"employed it when considering new
"applications for charters, transfers
"of old charters or in taking the
"initiative to cancel suspected
"clubs?"

The comment of the Department on the right:

"Mr. Wintermeyer implies that
"the Department has not maintained
"its records 'so that chartered
"clubs can be policed with respect
"to applications, transfers, charges,
"changes of control and so on . . . . "

---(Page 92.)

---(Page 93.)

Mr. Wintermeyer states on the left:

"The least that can be said
"for their failure to take reasonable
"and normal precautions against the
"long-term perpetuation of gaming
"houses in the guise of social
"clubs is that the departments
"concerned and their hon. Ministers
"were grossly negligent in their
"duties and utterly careless of
"their responsibilities."

"social other measures and employing an
"equal protection analysis would
"ever complicated such a list and
"employed it when considering new
"applications for observers, transfers
"of old observers or in taking the
"initiative to cancel suspected
"aliens"

The comment of the Department on the
right:

"Mr. Director, Sir:
"the Department has not maintained
"its records so that observers
"alone can be polled with respect
"to qualifications, transfers, courts,
"changes of control and so on . . . "

---(Page 92.)

---(Page 93.)

Mr. Wjatscheslaw states on the left:

"The least that can be said
"for their failure to take reasonable
"and normal precautions against the
"long-term perpetuation of gaining
"causes in the guise of social
"alien is that the department
"concerned and their Ism. Ministers
"were grossly negligent in their
"duties and utterly careless of
"their responsibilities."

On the right the Department says as follows:

"The Department requests the "opportunity of making its reply and "summation at a later date. However, "it is presently submitted:

"1. With respect to the serious "charges opposite made by Mr. "Wintermeyer the foregoing analysis "of his speech shows that his "statements are in many instances "incorrect, his inferences groundless "and his allegations without "foundation in fact."

Mr. Commissioner, I would ask your permission not to read into the record the next paragraph. That is a matter of opinion and a judgment which you will have to form, and I would rather have the facts ofthe case as presented by the Department speak for themselves, and I am not going to read that section and that will be deleted. I would ask you to have it deleted from the official copy which is before you.

---(Page 94)

"SUMMARY OF POLICIES AND STATISTICAL REVIEW

"The Corporations Act confers on "the Provincial Secretary the power "to issue Letters Patent of incorporation

On the right the Department says as follows:

"The Department requests the "commission of making its reply and "summation at a later date. However, "it is presently aware:

"I. With respect to the serious "charges opposite made by Mr. "Whereupon the foregoing analysis "of his speech shows that his "allegations are in many instances "inaccurate, his interpretations "and his allegations without "foundation in fact."

Mr. Commissioner, I would ask your permission not to read into the record the next paragraph. That is a matter of opinion and a judgment which you will have to form, and I would rather have the facts of the case as presented by the Department speak for themselves, and I am not going to read that section and that will be believed. I would ask you to have it deleted from the official copy which is before you.

---(Page 94)

"SUMMARY OF POLICIES AND STATISTICAL REVIEW

"The Commissioner recommends to "the Provincial Secretary the power "to issue Letters Patent of Incorporation

"'in his discretion' and also confers
"upon him the power to cancel such
"Letters Patent 'where sufficient
"cause is shown' or where the
"corporation 'is in default for a
"period of three years in filing its
"annual return'. . . . . .
"To meet this difficulty, the
"Department adopted the policy of
"including in the Letters Patent of social
"clubs a provision to the effect that
"if the club made any charge for
"playing games on its premises, even
"the charge permitted by the Code,
"this too would be a ground for
"cancellation of the charter. Since
"this clause has been included in
"the Letters Patent (a period of
"14 years and involving close to the
"above number of corporations) --- "

That is 1500 --

" --- the Department has received only
"two complaints from the police
"alleging violation of this clause.
"In one case this was the sole
"ground for cancellation of the
"Letters Patent. In the second
"case, cancellation proceedings
"have been commenced by the
"Department, but were not at the

"'in his discretion' and also confers
"upon him the power to cancel such
"Letters Patent 'where sufficient
"cause is shown' or where the
"corporation 'is in default for a
"period of three years in filing its
"annual return'. . . . . .

"To meet this difficulty, the
"Department adopted the policy of
"including in the Letters Patent of social
"clubs a provision to the effect that
"if the club made any change from
"playing games on its premises, even
"the change permitted by the Code,
"this too would be a ground for
"cancellation of the charter. Since
"this clause has been included in
"the Letters Patent (a period of
"14 years and involving close to the
"above number of corporations) --- "

THAT IS WHY ---

" --- the Department has received only
"two complaints from the police
"alleging violation of this clause.
"In one case this was the sole
"ground for cancellation of the
"Letters Patent. In the second
"case, cancellation proceedings
"have been commenced by the
"Department, but were not at the

"date hereof completed."

They have been since completed, Mr. Commissioner, and cancellation has followed.

"In 1950, after representations by "the police, the Department adopted "its present policy with respect to "the incorporation of social clubs."

---(Page 95)

" . . . . Appendix F sets out particulars "of 98 corporations which were "referred to the police in the "regular course in respect of which "completely favourable reports were "received and where there have been "no subsequent complaints. There "were three corporations which were "referred to the police in the "regular course in respect of which "completely favourable reports were "received and where there were "subsequent complaints leading to "cancellation."

Now, I just refer again, Mr. Commissioner, to Appendix F. We have not gone into it. There is an index which I referred to earlier, and that index, some 17 pages, will indicate to you the very broad range of the incorporations which have taken place in the province.

"also been completed."

They have been since completed, Mr. Commissioner, and reorganization has followed.

"In 1930, after representations by "the police, the Department adopted "the present policy with respect to "the incorporation of social clubs."

---(Page 13)

" . . . . Appendix 3 sets out particulars "of 38 corporations which were "referred to the police in the "regular course in respect of which "complaints favourable reports were "received and where there have been "no subsequent complaints. There "were three corporations which were "referred to the police in the "regular course in respect of which "complaints favourable reports were "received and where there were "subsequent complaints leading to "cancellation."

Now, I pass which again, Mr. Commissioner, to Appendix D. We have not gone into it. There is an index which I referred to earlier, and that index, some 17 pages, will indicate to you the very broad range of the incorporationnation have taken place in the province.

Then there are pages which follow, and I refer you only presently to page 1, and I will use an example, and it showed you earlier the departmental files. We have set out for your use the name of the corporation, the date of the application received, the applicants, the solicitors, the premises if any, the head office, the date of reference to O.P.P., the date of the report of the O.P.P. received, and the nature of the report which we have stated to be favourable, the date of reference to local police, the date of report of the local police received, the nature of the report, and the Letters Patent issued.

Now, that is the format which has been applied throughout. There are variations in that. In some instances there are remarks, and when you read this, which does take some time, you will note the wide range of citizens throughout the Province of Ontario, the wide range of solicitors who have applied, and then the name will indicate the wide range of objects. That is Appendix F which I have presented to you.

Now, I bring to your attention that there were three incorporations which could have been included in Appendix F but we did not include them because they subsequently were cancelled. These are

Then there are pages which follow, and I refer you only presently to page 1, and I will use an example, and it showed you earlier the departmental files. We have set out for your use the name of the incorporation, the date of the application, received, the applicants, the solicitors, the premises if any, the head office, the date of reference to O.P.P., the date of the report of the O.P.P. received, and the nature of the report which we have received to be favourable, the date of reference to local police, the date of report of the local police received, the nature of the report, and the Letters Patent issued.

Now, that is the format which has been applied throughout. There are variations in that. In some instances there are remarks, and when you read this, which does take some time, you will note the wide range of citizens throughout the Province of Ontario, the wide range of solicitors who have applied, and then the name with indicates the wide range of objects. This is Appendix 7 which I have presented to you.

Now, I bring to your attention that there were three incorporations which could have been included in Appendix 7 but we did not include them because they subsequently were cancelled. There are

favourable and no report has since been received, so they are in this batch.

"Appendix G sets out particulars "of 18 corporations which a review of "departmental files since July 1st, "1950, shows that the application "was not referred to the police "prior to incorporation. Of these "18 corporations out of a total of "almost 50,000 --- "

That is, incorporations generally --

" --- incorporations granted during "those 12 years, the Department "submits that it is doubtful whether "most of them would in the ordinary "sense of the term be considered "as social clubs. In not one of "these 18 cases has the Department "ever received any complaint from "the police or any other source."

I refer you to Appendix G which is headed:

"APPENDIX G - APPLICATIONS FOR "INCORPORATIONS WITH OBJECTS IN WHOLE "OR IN PART OF A SOCIAL NATURE --- "

As interpreted in its broadest sense, Mr. Commissioner, by the Department --

" --- received after July 1st, 1950, "and granted before December 11, 1961, "that were not referred to the police

favourable and no report has since been received, as best are in this issue.

"Appendix G sets out particulars "of 18 corporations which a review of "Companies Files since July 1st, "1950, shows that the application "was not referred to the police "prior to incorporation. Of these "18 corporations out of a total of "almost 50,000 ---

That is, incorporations generally --

--- incorporation granted during "those 18 years, the Department "submits that it is doubtful whether "most of them would in the ordinary "sense of the term be considered "as social clubs. In not one of "these 18 cases has the Department "ever received any complaint from "the police or any other source."

I refer you to Appendix G which is headed:

"APPENDIX G - APPLICATIONS FOR "INCORPORATION WITHDRAWN IN SUMMARY "OR IN FAVOR OF A SOCIAL NATURE ---"

As interpreted in its prudent sense, Mr. Commissioner, by the Department --

" --- received after July 1st, 1950, "and present value--- 1), 1950, "that were not referred to the police

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"in the regular course."

Now, the list is set out in an index. Subject to your statement, I do not propose to read them. They are listed there as shown on page 1. You have the name of the corporation, the date of the incorporation, the names of the applicants, the solicitors and the objects clauses. They are all set out and you will have the list.

Now, I submit that when you read them that perhaps you will read the objects clauses to determine which of those, in your own personal opinion, were such as to be social clubs, and whether they should have been referred in the ordinary course or not, but I bring to your attention that they were issued without referral in the course of the Department's business, but no adverse report has been received with respect to any single one of those 18 corporations.

Then, of course, on page 18, we listed the one corporation which was referred to by Mr. Wintermeyer, the first corporation which he referred to, the Chippers Sales & Advertising Club. We have inserted that because he had referred to it.

THE COMMISSIONER: Now, do you need to read the rest?

A. No, I do not propose to do so ~~unlit~~ unless you require it.

"In the regular course."

Now, the list is set out in an index. Subject to your statement, I do not propose to read them. They are listed there as shown on page 3. You have the name of the corporation, the date of the incorporation, the names of the applicants, the solicitors and the objects clauses. They are all set out and you will have the list.

Now, I submit that when you read them that perhaps you will read the objects clauses to determine which of those, in your own personal opinion, were such as to be social clubs, and whether they should have been referred in the ordinary course or not, but I bring to your attention that they were listed without reference to the records of the Department's business, but no adverse report has been received with respect to any single one of those 18 corporations.

Then, of course, on page 18, we listed the one corporation which was referred to by Mr. Wintermeyer, the first corporation which he referred to, the Ottawa Rotary Advertising Club. He also referred that because he had referred to it.

THE COMMISSIONER: Now, do you need to read the rest?

A. No, I do not propose to do so unless you require it.

Q. No, I can read it.

A. To return to the brief, Appendix H ---

Q. No, that is what I am talking about. Do you want to read the rest of that?

A. The rest of the ----

Q. That is really argument, is it not?

A. The rest of the brief?

Q. Yes.

A. Well, actually there are statistics.

Q. Not very much of it left. If you want to read it, all right.

A. "Appendix H sets out particulars "of 27 incorporations which a review "of departmental files since July 1st, "1950, indicates that the police "reports were other than completely "favourable. Each such incorporation "is summarized and dealt with in the "appendix." --

And we have already read this completed.

"Appendix I sets out particulars of "186 applications for incorporation "having social objects refused for a "variety of reasons during the same "period."

I will return for a moment, Mr. Commissioner, to a discussion that we had relating to the processes thattake place in the Provincial Secretary's mind when he determines whether he will issue the Letters Patent or not.

Q. No, I can read it.

A. To revert to the brief, Appendix X ---

Q. No, that is more I am talking about. Do you want to read the rest of that?

A. The rest of the ----

Q. That is really argument, is it not?

A. The rest is not argument.

Q. Yes.

A. Well, actually there are abbreviation.

Q. Not very much of it left. If you want to read it, all right.

A. "Appendix X lists all derivations "of 27 incorporations which a review "of departmental files since July 1st, "1950, indicates that the police "reports were other than completely "favourable. When such incorporation "is summarized and dealt with in the "appendix." ---

And we have already read this completed.

"Appendix I sets out particulars of "136 applications for incorporation "having social objects referred for a "variety of reasons during the same "period."

I will pause for a moment, Mr. Commissioner, to a discussion that we had relating to the processes available place in the Provincial Secretary's mind when he determines whether he will issue the letters patent or not.

Q. Notwithstanding an adverse ---

A. Notwithstanding an adverse report. Here there were 984 applications with completely favourable reports, of which three were the subject of subsequent complaint. The Provincial Secretary accepted those three, as he accepted all the other 981. The three were subsequently cancelled. There were favourable reports in those instances. There were 18 in which no report was obtained. They were issued. We have since received no adverse report.

The 27, I recall -- and when you re-read that Appendix H you will note that there were reports referred toby Mr. Wintermeyer as having adverse reports, bearing in mind that the Attorney General in the Legislature had used the words "legitimate objection", but we have stated the objection as outlined by the police, that the Provincial Secretary in the exercise of his discretion came to the conclusion that it was not against public interest to issue and did issue. Of those 27 I believe that that is the one, the Bathurst-Sheppard -- perhaps you will analyze those yourself and can see how the judgment of the Provincial Secretary was exercised in those instances.

"Appendix I sets out particulars "of 186 applications for incorporation

5. Withdrawing an adverse ---

A. Notwithstanding an adverse report, four items were [illegible] application and completely favourable reports, of which three were the subject of subsequent complaint. The Provincial Secretary [illegible] these, as he accepted all the other 98%. The three were subsequently cancelled. There were favourable reports in those instances. There were 18 in which no report was obtained. They were issued. We have since received no adverse report.

The 97, I recall -- and when you re-read that Appendix H you will note that there were reports received only [illegible] as having adverse reports, bearing in mind that the Attorney General in the Legislature had used the words "legitimate objection", but we have stated the objection as outlined by the police, that the Provincial Secretary in the exercise of his discretion came to the conclusion that it was not against public interest to issue and did issue. Of those 97 I believe that that is the one, the document-shipped -- perhaps you will analyze those yourself and can see how the judgment of the Provincial Secretary was exercised in those instances.

"Appendix I sets out Parliament "of 180 applications for incorporation

"having social objects refused for a
"variety of reasons during the same
"period."

This is this Appendix I which is broken into two parts --

"Part 1 - Applications refused because
"of objections from the police or
"other government departments;
"Part 2 - Applications refused because
"not in accordance with departmental
"policy."

We have, for example, on page 1, we give details of the applicants, the solicitor, the referral,and then we note, without giving you the details of it, that there was an objection.

I say this to you at this time, Mr. Commissioner, that a number of these have been refused during my term of office. We will have the figures. Like any one who has to reach a decision, I have wondered in certain instances whether I was as fair to the applicants as perhaps some one else might have been, in refusing the application.

"In three instances Letters
"Patent were issued to bring
"associations under provincial
"control, and subsequent breaches
"of provisions of the Letters
"Patent brought about cancellations

"having social objects refused for a
"variety of reasons during the same
"period."

This is this Appendix I which is broken
into two parts --

"Part I - Applications refused because
"of objections from the police or
"court authorities, respectively;
"Part 2 - Applications refused because
"not in accordance with departmental
"policy."

We have, for example, on page 1, ma
ive details of the applicants, the solicitors
the referral, and then we note, without
giving you the details of it, that there
was no objection.

I say this to you at this time, Mr.
Commissioner, that a number of these have
been referred during my term of office.
We will have the figures. Like any one
who has to reach a decision, I have wondered
in certain instances whether I was as fair
to the applicants as perhaps some one else
might have been, in returning the application.

"In these instances having
"regard to the fact that
"patent were issued to bring
"prosecutions under prohibited
"control, and subsequent prosecuts
"of provisions of the letters
"patent arrest such instances

"in two instances, and proceedings have
"been commenced in respect of the
"third --- "

That has been completed and cancellation took place.

" --- in another instance Letters
"Patent were issued where a can-
"cellation had taken place because
"of a conviction subsequently
"quashed, and in this instance a
"breach of the provision of the
"Letters Patent brought about a
"cancellation."

"Appendix J sets out particulars
"of the cancellation for cause of 75
"clubs (69 of which were incorporated
"before the present policy was
"instituted in 1950; 6 after),
"brought about through co-operative
"effort resulting from the policies
"of the Department and the inves-
"tigations of the police."

I would ask you to turn briefly to Appendix J, and you will find that Appendix J consists of several items. The index will show in alphabetical order the cancelled club charters. There are two which have asterisks opposite them in which we make the notation:

"The objects of this corporation are

"in two instances, and proceedings have
"been commenced in respect of the
"third ---- "

That has been completed and cancellation took place.

" --- in another instance letters
"patent were issued where a can-
"cellation had taken place because
"of a conviction subsequently
"quashed, and in this instance a
"reason of the prevision of the
"letters patent brought about a
"cancellation."

"Appendix 1 sets out particulars
"of the cancellation fugdsae of 75
"clubs (69 of which were incorporated
"before the present policy was
"instituted in 1950; 6 after),
"brought about through co-operative
"efforts resulting from the policies
"of the Department and the inves-
"tigations of the police."

I would ask you to turn briefly to Appendix 1, and you will find that Appendix 1 consists of several items. The index will show in alphabetical order the cancelled club charters. There are two which have asterisks opposite them in which we have the notation:

"The objects of this corporation are

"not social. It is included in this
"appendix because it appears on Chief
"Mackey's list (Appendix K)."

Then we have listed for you in chronological order, commencing following the index, the date of the order, the name of the club, and then the date of the incorporation, and we have broken it down so that you could visually see whether the incorporation was prior to July 1st, 1950, or subsequent; the cause for cancellation, the directors of record on cancellation, the solicitor of record on cancellation -- and the naming required some thought on the part of the Department because one file may contain a number of solicitors.

Then for your information we carried out -- we had a cancelled list, and we put the number as it appears on Mr. Mackey's -- on Chief Mackey's list, any which we assumed would be a metropolitan area club, and the others would be outside the metropolitan area, and that is in chronological order right to the end of page 9.

Then after page 9 there are three charters, details are given of three charters where we note:

"The Letters Patent of the following
"social clubs in respect of which
"cancellation proceedings had been

"not social. It is included in this
"appendix because it appears on Chief
"Mackey's list (Appendix K)."

Then we have listed for you in chronological order, commencing following the index, the date of the order, the name of the club, [illegible] and the [illegible], and we have broken it down so that you could visually see whether the incorporation was prior to July 1st, 1950, or subsequent; the cause for cancellation, the directors of record on cancellation, the solicitor of record on cancellation -- and the meeting required some thought on the part of the [illegible] number of solicitors.

Then for your information we carried out -- we had a cancelled list, and we put the number as it appears on Mr. Mackey's -- [illegible] and which we assumed would be a metropolitan area club, and the others would be outside the metropolitan area, and that is in chronological order right to the end of page 9.

Then after page 9 there are three charters, details are given of three charters [illegible]:

"The Lettona Patent of the following
"social clubs in respect of which
"cancellation proceedings had been

"instituted prior to November 29th,
"1961, were cancelled for cause."

As indicated to you, in the Department these cases are at various stages, and they are completed from time to time, and those are three which bring a total of eighty.

On the next page you will find for your convenience and reference, we have re-arranged the same clubs which were cancelled in alphabetical order, so that if you wish to have the particulars with respect to any gaming club, any club which was cancelled, you can refer to this and trace it easily, because it is in alphabetical order. The same material is shown, except the re-arrangement.

On page 20 for your information is shown a breakdown of the cause for cancellation. You will see that there were 43, the names of 43 clubs in which there was a gaming conviction; five in which there was a betting conviction; three in which there was a liquor conviction; one, another conviction. I believe that was -- I don't know whether that was an assault on a police officer or something. Then there was evidence of illegal gaming, five; evidence of illegal betting, one; violations of Letters Patent, six; failure to produce books, seven; forfeiture of

"Investigation of Gambling Clubs,

"Sir: Here enclosed for James."

As indicated to you, in the Department these cases are at various stages, and they are completed from time to time, and those are three which bring a total of eighty.

On the next page you will find for your convenience and reference, we have re-arranged the same clubs which were cancelled in alphabetical order, so that if you wish to have the particulars with respect to any certain club, but did not know [illegible], you can refer to this and trace it easily, because it is in alphabetical order. The same material is shown, except the re-arrangement.

On page 20 for your information is shown a breakdown of the cause for cancellation. You will see that there were 43, the name of 43 clubs in which there was a gaming conviction; five in which there was a betting conviction; three in which there was a liquor violation; one, another conviction. I believe that was -- I don't know whether that was an assault on a police officer or something. Then there was evidence of illegal gambling; five; evidence of illegal betting, one; violations of letters patent, six; failure to produce books, seven; forfeitures of

corporate powers, five; other causes, four.

Then on the next page we just have a numerical summation in which it is pointed out that there were 75 club charters cancelled for cause. We have a total of 81 causes, because in six cases there were two causes for cancellations.

CC/3

Now, I return to the brief:

"Appendix K illustrates the "effectiveness of this joint action "by the Department and the police. "It is a list supplied by the "Metropolitan Toronto Police of "incorporated social clubs "numbering 66 which include 57 "in respect of which they complained "to the Department between July 1st, "1950, and December 11th, 1961. "It is to be noted that of the "57 listed complained about during "this period every one has been "cancelled by the Department or "cancellation proceedings have "been instituted in respect thereof. "The 9 remaining are referred to "by symbol and explanation in the "appendix."

I would ask you to turn for a moment to Appendix K. You will see a letter on page 1. These are reproductions of

Then on the next page we just have a numerical summation in which it is pointed out that there were 73 club charters cancelled for cause. We have a total of 81 cases, because in six cases there were two causes or cancellations.

Now, I return to the brief:

"effectiveness of this joint action
"by the Department and the police.
"It is a fact supplied by the
"Metropolitan Toronto Police of
"[illegible]
"[illegible]
"in respect of which they complained
"to the Department between July 1st,
"[illegible], and December 31st, 1951.
"It is to be noted that of the
"[illegible]
"this period every one has been
"cancelled by the Department or
"cancellation proceedings have
"been instituted in respect thereof.
"The 9 remaining are referred to
"by symbol and explanation in the
"appendix."

I would ask you to turn for a moment to Appendix E. You will see a letter on page 1. These are reproductions of

originals, of course. On page 1 of Appendix K (it is actually the fourth page in the appendix) there is a letter from Chief Mackey in which he states:

"As requested in your telephone call "recently, I now enclose copy of "report submitted to me under date "of the 18th instant by Inspector "H.S. Thurston --- "

THE COMMISSIONER: Just a moment. I haven't found that. Thank you, I have.

A. " --- officer in charge of our "morality bureau, dealing with the "subject indicated."

That is dated December 19th, 1961.

Then the Deputy Minister -- if you return to the first page in the appendix, which is not numbered but it is immediately following the yellow page -- it is a letter from the Deputy Minister to Chief Mackey, and it says:

"I wish to thank you very much "for your letter of December 19th "enclosing a report from Inspector "H.F. Thurston dealing with the "subject above indicated.

"I understand from the Morality "Bureau that the list contained in "this report includes all the "incorporated social clubs with

originals, of course. On page 1 of Appendix E (it is actually the fourth page in the appendix) there is a letter from Chief Bureau Inspector Rogers:

"As requested in your telephone call "recently, I now enclose copy of "report submitted to me under date "of the 16th instant by Inspector "A.A. Thurston ---"

THE COMMISSIONER: Just a moment. I haven't found that. Thank you, I have.

A. " --- officer in charge of our "morality bureau, dealing with the "subject matter."

That is dated December 15th, 1951.

Then the Royal Minister -- if you return to the first page in the appendix, which is not numbered but it is immediately following the yellow page -- it is a letter from the Deputy Minister to Chief Bouney, and it says:

"I wish to thank you very much "for your letter of December 15th "enclosing a report from Inspector "H.Y. Thurston dealing with the "subject matter initiated.

"I understand from the Morality "Bureau that the list contained in "this report includes all the "incorporated social clubs which

"respect to which your Department has
"filed complaints with this Department
"for the past ten years."

Then he continues in a paragraph ---

THE COMMISSIONER: What was the date of the speech?

A. The date of the speech was November 29th, 1961. The appointment was made on December 11th, and then on the 19th -- then we immediately started to prepare our brief upon the appointment, and if I may refer back to Mr. Cudney's letter he says:

"This list is a great help to us and
"saves us a great deal of work as
"under our index all confidential
"files are not classified and it
"would have taken us a great deal
"of time to go through thousands
"of files dealing with many matters
"pertaining to corporations."

So Chief Mackey on December 19th forwarded a letter to us so that we might use it in preparation of our brief, and I bring to your attention -- I believe, have we got the original? I would ask your permission to file -- I haven't got it with me -- to file the original correspondence at a later date with the Commissioner. This is a reproduction of the letter, the list, subject to this. You will see the asterisks on page No. 2, and we

"respect to which your Department has
"filed commission with this Department
"for the year ended 1947."

Then he continues in a paragraph ---

THE COMMISSIONER: What was the date of the speech?

A. The date of the speech was November 29th, 1951. The appointment was made on December 11th, and then on the 19th -- then we immediately started to prepare our brief upon the instructions, and it was later sent to Mr. Gidney's letter he says:

"This list is a great help to us and
"saves us a great deal of work so
"under our index all confidential
"files are not classified and it
"would have taken us a great deal
"of time to go through thousands
"of files dealing with many matters
"pertaining to corporations."

So Qular Money on December 19th forwarded a letter to us so that we might use it in preparation of our brief, and I bring to your attention -- I believe, have we got the original? I would ask your permission to file -- I haven't got it with me -- to file the original correspondence at a later date with the Commissioner. This is a reproduction of the letter, the list, subject to this. You will see the matters on page No. 2, and we

have an asterisk and at the bottom there is an asterisk:

"The numbers do not appear on the "original list. They are added for "convenience of reference."

They are numbers which were added by us, by the Department, so that we may use it in conjunction with references.

THE COMMISSIONER: I am not following you.

A. This is on page 2.

Q. Yes, I have page 2 and I see the asterisk.

A. Chief Mackey submitted to us on sheets of foolscap the names, exactly what is reproduced, without the numbers on the left. You see where they are numbered, 1, 2, 3, 4, 5 and 6?

Q. Yes.

A. Those numbers do not appear on the original document. We added them in order to assist.

Q. Yes, I understand.

A. The Commission.

Q. Thank you.

A. Now, without referring to any, without reading the whole list, I want to just bring to your attention that on page 5, No. 25, we give you additional information that that was actually cancelled for failure; the Earl French Memorial Club was cancelled

have an asterisk and at the bottom there is an explanation:

"The numbers do not appear on the original list. They are added for convenience of reference."

They are numbers which were added by us, by the Department, so that we may use it in conjunction with reference.

THE COMMISSIONER: I am not following you.

A. This is on page 2.

Q. Yes, I have page 2 and I see the asterisk.

A. Chief Mooney submitted to us an sheets of foolscap the names, exactly what is reproduced, without the numbers on the left. You see where they are numbered, 1, 2, 3, 4, 5 and 6?

Q. Yes.

A. Those numbers do not appear on the original document. We added them in order to assist.

Q. Yes, I understand.

A. The Commission.

Q. Thank you.

A. Now, without referring to any, without reading the whole list, I want to just bring to your attention that on page 5, No. 63, we give you additional information that was actually cancelled for failure; the Earl Brewer Memorial Club was cancelled

for failure to file annual returns. The same with No. 31, Iriquois Amusement Parlour of Ansonville, that was cancelled for returns.

The Independent Christian Association was not. The objects were not of a social nature, but there was a cancellation.

On the next page, No. 32, the asterisk brings to your attention that this was cancelled in 1946 and not in 1960.

On page 7, No. 40, N.E.C. Friendly Club, that was not incorporated.

No. 44 has been dealt with as objects not of a social nature.

On page 9 -- that was dated December 19th -- you will see that No. 56 is -- no, No. 55, that was cancelled on May 1st, 1962. The letter had been sent out prior to that. No. 56, that was cancelled on March 6th, 1962.

On page 10, No. 57, the cancellation proceedings instituted but not completed. That is still pending. We could have with No. 58, Atlas Club, at the date. Since that time reports have been received and cancellation proceedings have been instituted. That is not noted in a note, but that is the fact at the present time.

The Bellevue Social Club has been made reference to (No. 59) in the brief, and you will note that there is a note by

for failure to file annual returns. The same also in Triangle Lawnmower of Amherville, that was cancelled for returns.

The Independent Christian Association was not. The objects were not of a social nature, but there was a cancellation.

On the next page, No. 32, the secretary brings to your attention that this was cancelled in 1926 and not in 1924.

On page 7, No. 44, S.A.C. Friendly Club, that was not incorporated.

No. 44 has been dealt with as objects not of a social nature.

On page 8 -- this was dated December 1924 -- you will see that No. 56 is -- no, No. 55, that was cancelled on May 1st, 1926. The letter had been sent out prior to that.

No. 56, that was cancelled on March 6th, 1926.

On page 12, No. 57, the examination proceedings instituted but not completed. That is still pending. We could have with No. 59, Atlas Club, at the date. Since that time reports have been received and investigation proceedings have been instituted. That is not noted in a case, but that is the fact at the present time.

The Bailey-Bates Club was mentioned made reference to (No. 59) in the brief, and you will note that there is a case of

Chief Mackey:

"Conspiracy charges at present before "court -- premises closed, new "occupants on premises. Further "adverse reports pending."

We have not received those as yet.

No. 60 was cancelled. No. 61 was cancelled on 6th March, 1962.

No. 62, the New Canadian Social Club, was cancelled on February 20th, 1962.

No. 63, the cancellation proceedings were instituted but not completed. The hearing is in process.

No. 64 is Sol Food Packers and, as we noted, objects not of a social nature -- investigation by Department pending. This has share capital. That is actually, on the face of it, appears to be a commercial undertaking, but the Department is in the process of investigating.

Then No. 67, we point out that there was no cancellation, that that was not cancelled for conviction, but cancelled for failure to file annual returns.

Then No. 70, that was cancelled March 6th, 1962.

The statistics in reference to Appendix K are summarized in the last paragraph.

THE COMMISSIONER: Well, do you want

Court Reporter:

"Conspiracy charges as present before

"Count -- Question closed, has

"adjourned in question. Further

"[illegible] reserve reality."

Mr. Barnes: Reserve closed as yet.

No. 60 was cancelled. No. 61 was

[illegible] on the [illegible].

Mr. [illegible], the Sun Dwelling Hotel Co.,

was cancelled on February 20th, 1962.

No. 63, the cancellation proceedings

were instituted but not completed. The

matter is in process.

No. 64 is not just another one, as

we noted, objects not of a social nature --

investigation by Department pending. This

has more capital. That is actually, on

the face of it, appears to be a commercial

undertaking, but the Department is in the

process of investigating.

Then No. 67, we point out that there

was no cancellation, that there was not

cancelled for conviction, but cancelled

for failure to file annual return.

Then No. 70, that was cancelled

[illegible].

The abbreviation in reference to

Appendix K are summarized in the last

paragraph.

THE COMMISSIONER: Well, do you want

to read that?

A. No.

Q. Would you leave it to me to read that?

A. Yes, I do not intend to read that, Mr. Commissioner, unless you request it.

Now we have page 96.

Q. That is what I am referring to. Do you want to read that? Won't you leave me to read it?

A. Yes, I think that these statistics speak for themselves.

I bring to your attention also the table on page 97 where we took the statistics and broke them down by years. Just to make sure we have expressed ourselves clearly, you will notice that Appendix F plus 3, you will notice the total on the right is 984. You will recall that Appendix F, the bulky appendix, has 981, and we did not include in 981 the three that have favourable reports which are referred to by name. They are set out in Appendix J, and you can see the examination by years of those, together with, in brackets, those which ultimately led to cancellation.

Then we have Table 4 which is broken down. We took Chief Mackey's list and broke it down by years, and they are an interesting set of figures, as all the figures are, I

to your county?

A. No.

Q. Would you leave it to me to read that?

A. Yes, I do not intend to read that.

Q. Mr. Commissioner, would you repeat it.

(The question was read.)

Q. That is what I am referring to. Do you want to read that? Won't you leave me to read it?

A. Yes, I think that would certainly speak for themselves.

I bring to your attention also the table on page 97 where we took the statistics and broke them down by years. Just to make sure we have exhausted ourselves clearly, you will notice that Appendix V plus 3, you will notice the total on the right is 95%. You will recall that Appendix V, the bailey appendix, has 98%, and we did not include in 98% the times that have favourable reports which are referred to by name. They are set out in Appendix 3, and you can see the [illegible] in years of [illegible] which, in brackets, those which satisfactorily led to conciliation.

Then we have Table 4 which is broken down. We took Chief Morley's list and broke it down by years, and they are an interesting set of figures, as all the figures are, I

believe. You will note that in 1960 and 1961 again the Department -O-

Q. What page are you reading from?

A. I am on page 97 now, if you turn the page sideways.

Q. Yes.

A. I have explained Table 3-A which is a recapitulation of the previous page but in years, and then also Table 3-B, the recapitulation by years of those various appendices. Then Table 4 is the number of cancellations during that period totalling 75, and the bracket total is the number in Metro Toronto of 50.

(Page 9596 follows)

believe. You will note that in 1960 and 1961 again the Department -6-

Q. What page are you reading from?

A. I am on page 97 now, if you turn the page sideways.

Q. Yes.

A. I have explained Table 3-A which is a recapitulation of the previous page but in years, and then also Table 3-B, the recapitulation by years of these various appendices. Then Table 4 is the number of cancellations during that period totalling 73, and the breakout total is the number in Metro Toronto of 59.

(Page 9599 follows)

CC/4

I referred earlier to the fact that during the year 1960 and 1961 subsequent, between the meeting of the Deputy Provincial Secretary and Chief Mackey there were a total in the province of 32 cancellations of which all 32 took place in the Metro area. Of the 50 cancellations in the Metro area in the last 10 years, in this period, 32 were in 1960 to the year 1961, and the rest of the figures speak for themselves.

On page 98 we have a recapitulation of the cancellations, and I would like to read table 4 to complete the presentation of the brief at this time.

"Analysis of cancellations of
"incorporations (1,033) granted between
"July 1st, 1950 and December 11th, 1961
"(eleven and a half years) where reports
"completely favourable and subsequent
"complaints and cancellations (see IA 1,ii)"

That is the previous. There is the Chan Social Club, Fenno Club and Oldcastle Country Club, for a total of three out of thatgroup.

Where reports, other than completely favourable, there were 27 and no cancellations.

Where applications not referred to police, 18; no cancellations.

Where applications granted to bring clubs under provincial control - Centre Road Veterans

I referred earlier to the fact that during the year 1950 and 1951 subsequent, between the meeting of the Legion Provincial Executive and Order Meeting there were a total in the provinces of 32 cancellations of which all 32 took place in the Metro area. Of the 50 cancellations in the Metro area in the last 10 years, in this period, 32 were in 1950 to the year 1951, and the rest of the figures speak for themselves.

On page 24 we have a complete of the cancellations, and I would like to read table 4 to complete the presentation of the brief at this time.

"Analysis of cancellations of

"Improvements (1,000) granted taken

"July 1st, 1950 and December 11th, 1951

"(above and a half years) were

"completely favourable and subsequent

"completions and cancellations (see IA 1,11)"

That is the previous. There is the Cran Rocral Club, Xenno Club and Oldsmobile Country Club, for a total of three out of thatgroup.

Many cases, where were completely favourable, there were 27 and no cancellations.

Where applications not referred to police, 18; no cancellations.

Where applications granted to bring close under provincial control - Centre Road Veterans

Association, Roseland Veterans Association. Therewere three such issued, two were cancelled.

Where applications granted to replace cancelled letters patent were conviction quashed subsequently - Club Macedonia; one issuance in that instance and one cancellation in this group.

The total of 1,033 incorporations leading to cancellations in respect of six.

All of which is respectfully submitted.

Parliament Buildings, Queen's Park, Toronto, March 19th, 1962.

THE COMMISSIONER: Well, does that complete Mr. Yaremko's attendance here for the time being?

MR.WILSON: I think, Mr. Commissioner, yes, until such date as you fix for the cross-examination.

THE COMMISSIONER: Yes, that will be several days hence.

Thank you, Mr. Yaremko.

Adjourned until tomorrow at ten o'clock.

MR.WILSON: Mr. Commissioner, the cross-examination will proceed at ten o'clock tomorrow morning?

THE COMMISSIONER: No, I said there will be a delay of several days.

MR. WILSON: I thought you said to the Registrar -----

THE COMMISSIONER: But you have other witnesses for tomorrow?

MR.WILSON: No, I haven't.

THE COMMISSIONER: I am not going to waste the next two or three days. I understood Mr. Cudney, for example, was going to be here.

MR. WILSON: Mr. Cudney is, I believe, if you want to have his evidence, but his evidence will be along the lines of this brief. I could have him available in the morning. I misunderstood your thinking in that regard.

THE COMMISSIONER: No, I said it would be several days before Mr. Yaremko would be brought back here for cross-examination, but I certainly understood that tomorrow we were going on with Mr. Cudney.

MR. WILSON: I will have Mr. Cudney here in the morning.

THE COMMISSIONER: That is what I said, we would adjourn until ten o'clock tomorrow morning.

MR. YAREMKO: Mr. Commissioner, before you adjourn, may I just say a word, because I have not spoken to Mr. Cudney but, as I indicated in the outset in the presentation of the brief, this brief was being prepared on behalf of the Department. It covers a period of eleven and a half years, and more in some instances. Some of it is within my knowledge,

THE CHAIRMAN: Are you May Queen

attorney for Department

MR. WILSON: No, I haven't.

THE COMMISSIONER: I am not going to waste the next two or three days. I understood Mr. Gudney, for example, was going to be here.

MR. [illegible]: Mr. Commissioner, I [illegible] if you want to have his evidence, but his evidence will be along the lines of this brief. I could have him available in the morning. I misunderstood your question to May [illegible].

THE COMMISSIONER: No, I said it would be several days before Mr. Yaremko would be brought back here for cross-examination, but I certainly understood that tomorrow we were going on with Mr. [illegible].

MR. WILSON: I will have Mr. Gudney here in the morning.

THE COMMISSIONER: That is what I said, we would adjourn until ten o'clock tomorrow morning.

MR. [illegible]: Mr. Commissioner, before you adjourn, may I just say a word, because I have not spoken to Mr. Gudney but, as I indicated in the outset in the presentation of the brief, this brief was being prepared on behalf of the Department. It covers a period of eleven and a half years, and more in some instances. Some of it is within my knowledge,

since the 26th of May, 1960, and I am in a position to testify in reference to those matters.

THE COMMISSIONER: Mr. Cudney is in a position to testify with respect to all the years he has been there?

A. Yes.

Q. I understood.

A. Now, whether the questions directed to him will be arising out of the brief or not, I don't know how you intend to proceed.

THE COMMISSIONER: I don't know what Mr. Wilson has in mind.

---The hearing adjourned at 5:08 p.m.

date the 20th of May, 1960, and I am in a position to testify in reference to those matters.

THE COMMISSIONER: Mr. Gadney is in a position to testify with reference to all the persons on the Union Roster?

A. Yes.

Q. I understood.

A. Now, whether the questions directed to him will be arising out of this matter or not, I don't know how you intend to proceed.

THE COMMISSIONER: I don't know what Mr. Allen has in mind.

---The hearing adjourned at 5:00 p.m.